



Utah Counties Insurance Pool

# AGENDA

## BOARD OF TRUSTEES MEETING

Thursday, February 16, 2006, 12:00 p.m.  
UCIP Building, 5397 South Vine Street, Murray

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12:00 Lunch Provided

Call to Order and Welcome New Trustee

Dan McConkie

Review of Board Members Absent

Approval of December 15 Meeting Minutes

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### ITEM INFORMATION

- |   |                                            |               |
|---|--------------------------------------------|---------------|
| 1 | UBS Financial Services Report              | Chad Andrews  |
| 2 | Conflict of Interest Disclosure            | Sonya White   |
| 3 | Discussion of Building Issues              | Kent Sundberg |
| 4 | Loss Control Manager's Report              | Mark Brady    |
| 5 | Chief Executive Officer's Report           | Lester Nixon  |
| 6 | Review Fourth Quarter Financial Statements |               |

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### ACTION

- |    |                                                                                                                                |               |
|----|--------------------------------------------------------------------------------------------------------------------------------|---------------|
| 7  | Consider Reappointment of Law Enforcement Committee Chair                                                                      | Dan McConkie  |
| 8  | Approve Records Retention Policy                                                                                               | Sonya White   |
| 9  | Consider Amendment to Board Travel Expenses Policy or Resolution Approving Board Travel to RIMS National Conference            | Dan McConkie  |
| 10 | Approve Earthquake Study                                                                                                       | Lester Nixon  |
| 11 | Actions Regarding Building                                                                                                     | Kent Sundberg |
| 12 | Consider Ratifying Actions of the Chief Executive Officer                                                                      | Lester Nixon  |
| 13 | Set Date and Time for Closed Meeting<br>to Discuss Pending or Reasonably Imminent Litigation                                   | Dan McConkie  |
| 14 | Action on Litigation Matters                                                                                                   | Kent Sundberg |
| 15 | Set Date and Time for Closed Meeting<br>to Discuss Character, Professional Competence, Physical/Mental Health of an Individual |               |
| 16 | Ratification and Approval of Payments and Credit Card Transactions                                                             | Lynn Lemon    |

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Other Business

Next Meeting





## Asset Allocation - Total

As of 02/15/2006

This report details the allocation of holdings by investment category and sub-category for the account(s) listed below.

Report Date: February 16, 2006  
Account Name: UTAH COUNTIES INSURANCE POOL  
Account Number(s): FP43011  
5397 SOUTH VINE STREET  
SALT LAKE CITY, UT 84107-6757

Financial Advisor: ANDREW/POTTER/ANDREW  
FA Number: FP48

The end of this report contains disclosures regarding the information and valuations presented here. Please review that information carefully and contact your Financial Advisor with any questions.

Quantity	Description	Unit Cost [1]	Total Cost	Price	Mkt. Value	% Portfolio [2]	Unrealized Gain/(Loss) [3]	% Gain/(Loss)
<b>CASH AND CASH ALTERNATIVES</b>								
<b>CASH AND MONEY MARKET FUNDS</b>								
<b>CASH</b>								
UBS Bank USA Deposit Account			184.40		184.40	0.01%		
CASH AND MONEY MARKET FUNDS TOTAL:			5,043.88		5,043.88	0.30%		
AUCTION RATE PREFERRED			5,228.28		5,228.28	0.31%		
<b>1.00 SER T7 AUCT PFD 4.250%</b>								
BLACKROCK GLOBAL FLOATING RATE INCOME TR		25,000.00	25,000.00	25,000.00	25,000.00	1.48%	N/A	N/A
<b>4.00 W7 SER B AUCT PFD 4.200%</b>								
EATON VANCE FLOATING RATE INCOME TRUST		25,000.00	100,000.00	25,000.00	100,000.00	5.94%	N/A	N/A
<b>8.00 28 DAY AUCT PFD 4.400%</b>								
ING CLARION GLOBAL REAL ESTATE FUND SER C		25,000.00	200,000.00	25,000.00	200,000.00	11.87%	N/A	N/A
<b>8.00 AUCT PFD 4.350%</b>								
PIMCO FLOATING RATE STRATEGY FUND SER M		25,000.00	200,000.00	25,000.00	200,000.00	11.87%	N/A	N/A
<b>8.00 SER B AUCT PFD 4.350%</b>								
SCUDDER RREEF REAL ESTATE FUND II INC (T)		25,000.00	200,000.00	25,000.00	200,000.00	11.87%	N/A	N/A
<b>8.00 SER B AUCT PFD 4.350%</b>								
SCUDDER RREEF REAL ESTATE FUND INC (F7)		25,000.00	200,000.00	25,000.00	200,000.00	11.87%	N/A	N/A
AUCTION RATE PREFERRED TOTAL:			925,000.00		925,000.00	54.90%	0.00	0.09%
<b>CERTIFICATES OF DEPOSIT (CDS)</b>								
<b>97,000.00 BANK OF INDIA NY US RT 03.7500% MAT 03/01/06</b>								
FIXED RATE CD		100.00	97,000.00	99.98	96,978.66	5.76%	-21.34	-0.02%
<b>14,000.00 FRANKLIN BANK TX US RT 04.0500% MAT 07/12/06</b>								
FIXED RATE CD		100.00	14,000.00	99.80	13,971.58	0.83%	-28.42	-0.20%
<b>97,000.00 FREEMONT I&amp;L CA US RT 03.6500% MAT 03/21/06</b>								
FIXED RATE CD		100.00	97,000.00	99.94	96,939.86	5.75%	-60.14	-0.06%
<b>97,000.00 TEXAS CAP BK NA TX US RT 04.0000% MAT</b>								
03/24/06 FIXED RATE CD		100.00	97,000.00	99.97	96,967.02	5.76%	-32.98	-0.03%
CERTIFICATES OF DEPOSIT (CDS) TOTAL:			305,000.00		304,857.12	18.09%	-142.88	-0.05%





Quantity	Description	Unit Cost [1]	Total Cost	Price	Mkt. Value	% Portfolio [2]	Unrealized Gain/(Loss) [3]	% Gain/(Loss)
<b>U.S. FEDERAL AGENCY NOTES AND BONDS</b>								
165,000.00	FED HOME LOAN BANK 02.125 % DUE 051506 DTD 050503 FC 11152003	98.95	163,266.31	99.38	163,968.75	9.73%	702.44	0.43%
85,000.00	FHLB 05.375 % DUE 051506 DTD 050401 FC 11152001	100.88	85,748.50	100.16	85,132.60	5.05%	-615.90	-0.72%
100,000.00	FHLB 05.660 % DUE 042606 DTD 042699 FC 10261999	101.26	101,264.54	100.19	100,188.00	5.95%	-1,076.54	-1.06%
100,000.00	FHLB 06.090 % DUE 060206 DTD 060299 FC 12021999	101.72	101,719.36	100.41	100,406.00	5.96%	-1,313.36	-1.29%
<b>U.S. FEDERAL AGENCY NOTES AND BONDS TOTAL:</b>			<b>451,998.71</b>		<b>449,695.35</b>	<b>26.69%</b>	<b>-2,303.36</b>	<b>-0.51%</b>
<b>CASH AND CASH ALTERNATIVES TOTAL:</b>			<b>1,687,226.99</b>		<b>1,684,780.75</b>	<b>100.00%</b>	<b>-2,446.24</b>	<b>-0.14%</b>

This report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. All information presented is subject to change at any time and is provided only as of the date indicated. UBS Financial Services Inc. accounts statements and official tax documents are the only official record of your accounts and are not replaced, amended or superceded by any of the information presented in these reports.

1. This report displays security tax lots as one line item (i.e., lumped tax lots). The total cost equals the total value of all tax lots. The unit cost is an average of the total cost divided by the total number of shares. If the shares were purchased in different lots, the unit price listed does not represent the actual cost paid for each lot. The unrealized gain/loss value is calculated by combining the total value of all tax lots + or - the total market value of the security.
2. Portfolio (in the "% Portfolio" column) includes all holdings held in the account(s) selected when this report was generated. Those accounts may or may not include all of your accounts with UBS Financial Services Inc. The accounts included in this report are listed under the "Account Number(s)" section on the cover of this report.
3. The unrealized gain/loss information may include calculations based upon non-UBS Financial Services Inc. cost basis information. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS Financial Services Inc. In addition, if this report contains positions with unavailable cost basis, the unrealized gain/(loss) for these positions are excluded in the calculation for the Unrealized Gain/(Loss). As a result these figures may not be accurate and are provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. Rely only on year-end tax forms when preparing your tax return. Cost basis for Zero Coupon instruments has not been automatically adjusted for accrued original issue discount and therefore gains/(losses) are not calculated. See your monthly statement for additional information.

Fixed income instruments are classified as short/intermediate term if they have a maturity date of 1 to 10 years. Instruments with maturity terms longer than 10 years are classified as long-term instruments. Unclassified instruments are those for which no maturity date is available or applicable.

If a chart is selected, the allocations presented above are calculated as a percentage of your total portfolio. Your total portfolio, for this purpose, includes all holdings held in the account(s) selected when this report was generated. Those accounts may or may not include all of your accounts with UBS Financial Services Inc. The accounts included in this report are listed under the "Account Number(s)" above.

Cash on deposit at UBS Bank USA is protected by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000 in principal and accrued interest per depositor for each ownership type. Deposits made in an individual's own name, joint name, or individual retirement account are each held in a separate type of ownership. Such deposits are not guaranteed by UBS Financial Services Inc. More information is available upon request.

Debt securities with effective maturity dates of one year and less are considered as Cash Alternative Holdings.

For insurance, annuities, and 529 Plans, UBS Financial Services, Inc. relies on information obtained from third party services it believes to be reliable. UBS Financial Services, Inc. does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Information for insurance, annuities, and 529 Plans that has been provided by a third party service may not reflect the quantity and market value as of the previous business day. When available, an "as of" date is included in the description.

Important Information for Clients of UBS International Inc.: This report has been prepared by UBS Financial Services Inc. on behalf of its affiliate UBS International. For technical reasons, this Report may







## Expected Cash Flow

As of 03/01/2006

This report illustrates cash-flows (EXCLUDING PRINCIPAL PAYBACKS) projected for 12 months for Equity, Fixed Income and Cash Alternative Holdings for the account(s) listed below.

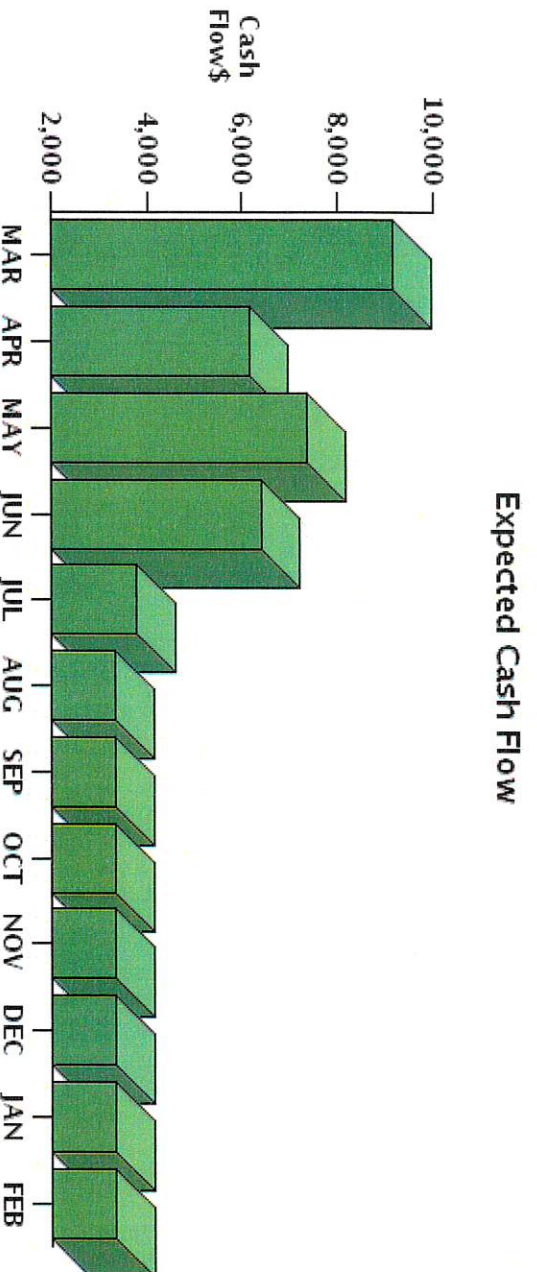
Report Date: February 16, 2006  
Record Date: February 15, 2006  
Account Name: UTAH COUNTIES INSURANCE POOL  
Account Number(s): FP43011  
5397 SOUTH VINE STREET  
SALT LAKE CITY, UT 84107-6757

Financial Advisor: ANDREW/POTTER/ANDREW  
FA Number: FP48

The end of this report contains disclosures regarding the information and valuations presented here. Please review that information carefully and contact your Financial Advisor with any questions.

Quantity	Description	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	TOTAL
<b>CASH AND CASH ALTERNATIVES</b>														
<b>AUCTION RATE PREFERRED</b>														
1.00	BLACKROCK GLOBAL FLOATING RATE INCOME TR SER T7 AUCT PFD 4.250%	88.54	88.54	88.54	88.54	88.54	88.54	88.54	88.54	88.54	88.54	88.54	88.54	1,062.50
4.00	EATON VANCE FLOATING RATE INCOME TRUST W7 SER B AUCT PFD 4.200%	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	4,200.00
8.00	ING CLARION GLOBAL REAL ESTATE FUND SER C 28 DAY AUCT PFD 4.400%	733.33	733.33	733.33	733.33	733.33	733.33	733.33	733.33	733.33	733.33	733.33	733.33	8,800.00
8.00	PIMCO FLOATING RATE STRATEGY FUND SER M AUCT PFD 4.350%	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	8,700.00
8.00	SCUDDER RREEF REAL ESTATE FUND II INC (I) SER B AUCT PFD 4.350%	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	8,700.00
8.00	SCUDDER RREEF REAL ESTATE FUND INC (F7) SER B AUCT PFD 4.350%	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	8,700.00
<b>AUCTION RATE PREFERRED TOTAL:</b>		<b>3,346.88</b>	<b>3,346.88</b>	<b>3,346.88</b>	<b>3,346.88</b>	<b>3,346.88</b>	<b>3,346.88</b>	<b>3,346.88</b>	<b>3,346.88</b>	<b>3,346.88</b>	<b>3,346.88</b>	<b>3,346.88</b>	<b>3,346.88</b>	<b>40,162.50</b>
<b>CERTIFICATES OF DEPOSIT (CDS)</b>														
97,000.00	BANK OF INDIA NY US RT 03.7500% MAT 03/01/06 FIXED RATE CD	1,813.77												1,813.77
97,000.00	FREMONT I&L CA US RT 03.6500% MAT 03/21/06 FIXED RATE CD	1,755.70												1,755.70
97,000.00	TEXAS CAP BK NA TX US RT 04.0000% MAT 03/24/06 FIXED RATE CD	2,253.59												2,253.59
14,000.00	FRANKLIN BANK TX US RT 04.0500% MAT 07/12/06 FIXED RATE CD					424.08								424.08
<b>CERTIFICATES OF DEPOSIT (CDS) TOTAL:</b>		<b>5,823.06</b>				<b>424.08</b>								<b>6,247.14</b>
<b>U.S. FEDERAL AGENCY NOTES AND BONDS</b>														
100,000.00	FHLB 05.660 % DUE 04/26/06 DTD 04/26/99 FC 10261999		2,830.00											2,830.00
165,000.00	FED HOME LOAN BANK 02.125 % DUE 05/15/06 DTD 05/03/03 FC 11152003			1,753.12										1,753.12
85,000.00	FHLB 05.375 % DUE 05/15/06 DTD 05/04/01 FC 11152001			2,284.38										2,284.38
100,000.00	FHLB 06.090 % DUE 06/02/06 DTD 06/02/99 FC 12021999				3,045.00									3,045.00
<b>U.S. FEDERAL AGENCY NOTES AND BONDS TOTAL:</b>		<b>9,169.93</b>	<b>2,830.00</b>	<b>4,037.50</b>	<b>3,045.00</b>	<b>3,770.96</b>	<b>3,346.88</b>	<b>3,346.88</b>	<b>3,346.88</b>	<b>3,346.88</b>	<b>3,346.88</b>	<b>3,346.88</b>	<b>3,346.88</b>	<b>56,322.14</b>
<b>CASH AND CASH ALTERNATIVES TOTAL:</b>		<b>9,169.93</b>	<b>6,176.88</b>	<b>7,384.38</b>	<b>6,391.88</b>	<b>3,770.96</b>	<b>3,346.88</b>	<b>3,346.88</b>	<b>3,346.88</b>	<b>3,346.88</b>	<b>3,346.88</b>	<b>3,346.88</b>	<b>3,346.88</b>	<b>56,322.14</b>





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This report includes all applicable holdings held in the account(s) selected on the Record Date. Those accounts may or may not include all of your accounts with UBS Financial Services Inc. The accounts included in this report are listed under the "Account Number(s)" section on the cover of this report.

This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached does not include principal paybacks for the securities listed. These potential cash flows are subject to change due to a variety of reasons, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur in the same month in which the report is generated -- but prior to the report run ("As of") date -- are not reflected in this report. In determining the potential cash flows, UBS Financial Services Inc. relies on information obtained from third party services it believes to be reliable. UBS Financial Services Inc. does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS Financial Services Inc. generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations do not include monthly principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy. Mortgage-backed, asset-backed, factored, and other pass-through securities have dynamic cash flows which may vary from month to month.

This report includes Fixed Income and Cash Alternative Holdings.

Debt securities with effective maturity dates of one year and less are considered as Cash Alternative Holdings.

For insurance, annuities, and 529 Plans, UBS Financial Services, Inc. relies on information obtained from third party services it believes to be reliable. UBS Financial Services, Inc. does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Information for insurance, annuities, and 529 Plans that has been provided by a third party service may not reflect







Executive Summary

As of 02/15/2006

This report summarizes the holdings for the account(s) listed below.

Report Date: February 16, 2006  
Account Name: UTAH COUNTIES INSURANCE POOL  
Account Number(s): FP43011  
5397 SOUTH VINE STREET  
SALT LAKE CITY, UT 84107-6757

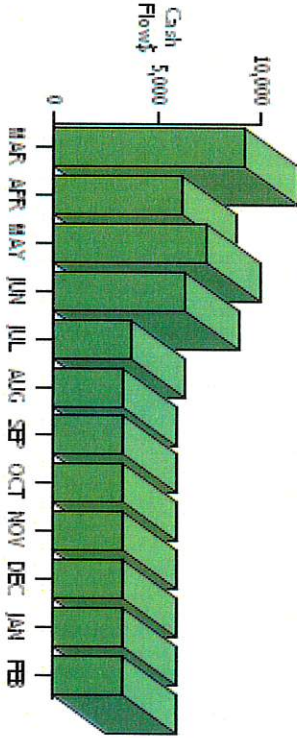
Financial Advisor: ANDREW/POTTER/ANDREW  
FA Number: FP48

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Combined Summary \$1,684,780.75

CASH AND CASH ALTERNATIVES	Market Value	% of Acct
TOTAL	\$1,684,780.75	100.00%
	\$1,684,780.75	100.00%

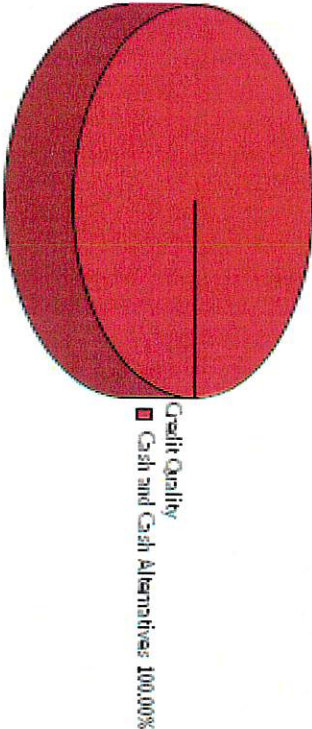
Expected Cash Flow Est. Annual Income \$56,322.14



Equity Sector \$0.00

Fixed Income Credit Quality \$1,684,780.75

Account(s) contain no Equity Holdings.  
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## Expected Cash Flow As of 03/01/2006

This report illustrates cash-flows (EXCLUDING PRINCIPAL PAYBACKS) projected for 12 months for Equity, Fixed Income and Cash Alternative Holdings for the account(s) listed below.

Report Date: February 13, 2006  
Record Date: February 10, 2006  
Account Name: UTAH COUNTIES INSURANCE POOL  
Account Number(s): FP43011  
5397 SOUTH VINE STREET  
SALT LAKE CITY, UT 84107-6757

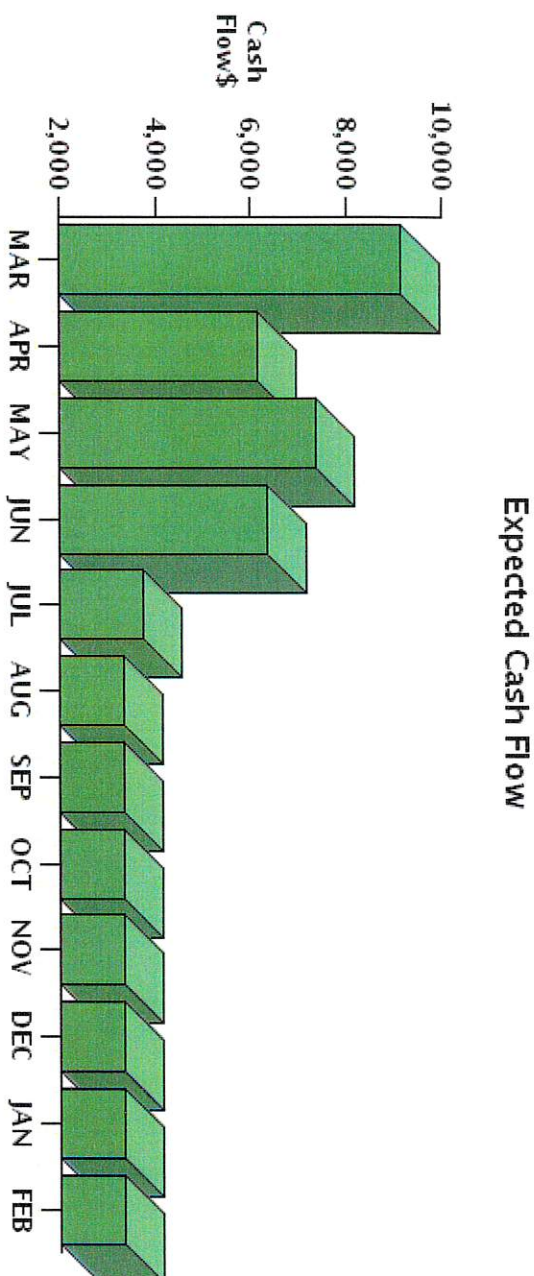
Financial Advisor: ANDREW/POTTER/ANDREW  
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Quantity	Description	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	TOTAL
<b>CASH AND CASH ALTERNATIVES</b>														
<b>AUCTION RATE PREFERRED</b>														
1.00	BLACKROCK GLOBAL FLOATING RATE INCOME TR SER 17 AUCT PFD 4.000%	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	1,000.00
4.00	EATON VANCE FLOATING RATE INCOME TRUST W7 SER B AUCT PFD 4.079%	339.92	339.92	339.92	339.92	339.92	339.92	339.92	339.92	339.92	339.92	339.92	339.92	4,079.00
8.00	ING CLARION GLOBAL REAL ESTATE FUND SER C 28 DAY AUCT PFD 4.400%	733.33	733.33	733.33	733.33	733.33	733.33	733.33	733.33	733.33	733.33	733.33	733.33	8,800.00
8.00	PIMCO FLOATING RATE STRATEGY FUND SER M AUCT PFD 4.380%	730.00	730.00	730.00	730.00	730.00	730.00	730.00	730.00	730.00	730.00	730.00	730.00	8,760.00
8.00	SCUDDER RREEF REAL ESTATE FUND II INC (I) SER B AUCT PFD 4.300%	716.67	716.67	716.67	716.67	716.67	716.67	716.67	716.67	716.67	716.67	716.67	716.67	8,600.00
8.00	SCUDDER RREEF REAL ESTATE FUND INC (F7) SER B AUCT PFD 4.350%	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	8,700.00
<b>AUCTION RATE PREFERRED TOTAL:</b>		<b>3,328.25</b>	<b>3,328.25</b>	<b>3,328.25</b>	<b>3,328.25</b>	<b>3,328.25</b>	<b>3,328.25</b>	<b>3,328.25</b>	<b>3,328.25</b>	<b>3,328.25</b>	<b>3,328.25</b>	<b>3,328.25</b>	<b>3,328.25</b>	<b>39,938.00</b>
<b>CERTIFICATES OF DEPOSIT (CDS)</b>														
97,000.00	BANK OF INDIA NY US RT 03.7500% MAT 03/01/06 FIXED RATE CD	1,813.77												1,813.77
97,000.00	FREMONT I&L CA US RT 03.6500% MAT 03/21/06 FIXED RATE CD	1,755.70												1,755.70
97,000.00	TEXAS CAP BK NA TX US RT 04.0000% MAT 03/24/06 FIXED RATE CD	2,253.59												2,253.59
14,000.00	FRANKLIN BANK TX US RT 04.0500% MAT 07/12/06 FIXED RATE CD					424.08								424.08
<b>CERTIFICATES OF DEPOSIT (CDS) TOTAL:</b>		<b>5,823.06</b>				<b>424.08</b>								<b>6,247.14</b>
<b>U.S. FEDERAL AGENCY NOTES AND BONDS</b>														
100,000.00	FHLB 05.680 % DUE 04/26/06 DTD 04/26/99 FC 10261999		2,830.00											2,830.00
165,000.00	FED HOME LOAN BANK 02.125 % DUE 05/15/06 DTD 05/05/03 FC 11152003			1,753.12										1,753.12
85,000.00	FHLB 05.375 % DUE 05/15/06 DTD 05/04/01 FC 11152001			2,284.38										2,284.38
100,000.00	FHLB 06.090 % DUE 06/02/06 DTD 06/02/99 FC 12021999				3,045.00									3,045.00
<b>U.S. FEDERAL AGENCY NOTES AND BONDS TOTAL:</b>		<b>9,151.31</b>	<b>2,830.00</b>	<b>4,037.50</b>	<b>3,045.00</b>	<b>3,752.33</b>	<b>3,328.25</b>	<b>3,328.25</b>	<b>3,328.25</b>	<b>3,328.25</b>	<b>3,328.25</b>	<b>3,328.25</b>	<b>3,328.25</b>	<b>56,093.64</b>
<b>CASH AND CASH ALTERNATIVES TOTAL:</b>		<b>9,151.31</b>	<b>6,158.25</b>	<b>7,385.75</b>	<b>6,373.25</b>	<b>3,752.33</b>	<b>3,328.25</b>	<b>3,328.25</b>	<b>3,328.25</b>	<b>3,328.25</b>	<b>3,328.25</b>	<b>3,328.25</b>	<b>3,328.25</b>	<b>56,093.64</b>







This report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. All information presented is subject to change at any time and is provided only as of the date indicated. UBS Financial Services Inc. accounts statements and official tax documents are the only official record of your accounts and are not replaced, amended or superceded by any of the information presented in these reports. If the cash flows presented are projected from a date later than the Record Date, such projections do not take into account the actual cash flows received during the period of time from the Record Date to the "As of" date.

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## Executive Summary

As of 02/10/2006

This report summarizes the holdings for the account(s) listed below.

Report Date: February 13, 2006  
Account Name: UTAH COUNTIES INSURANCE POOL  
Account Number(s): FP43011  
5397 SOUTH VINE STREET  
SALT LAKE CITY, UT 84107-6757

Financial Advisor: ANDREW/POTTER/ANDREW  
FA Number: FP48

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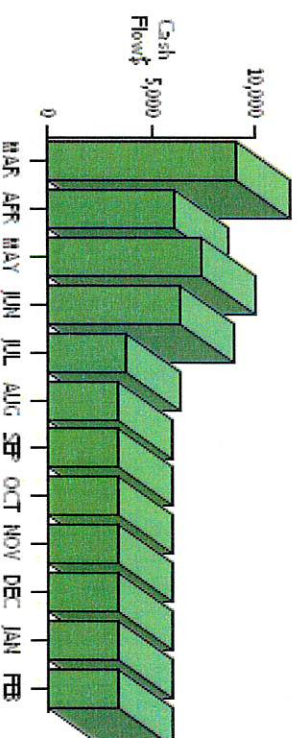
### Combined Summary

\$1,684,189.11

CASH AND CASH ALTERNATIVES	Market Value	% of Acct
TOTAL	\$1,684,189.11	100.00%
	\$1,684,189.11	100.00%

### Expected Cash Flow Est. Annual Income

\$56,098.64



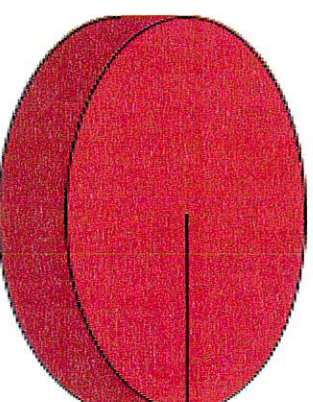
### Equity Sector

\$0.00

### Fixed Income Credit Quality

\$1,684,189.11

Account(s) contain no Equity Holdings.  
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Market Capitalization is defined as the number of shares outstanding times the market value. Equity securities are classified as Large Cap if they have a capitalization of 8 billion or above. Securities with capitalization between 1.8 and 7.9 billion are classified as Mid Cap. Securities with capitalization below 1.79 billion are classified as Small Cap. Unclassified securities are those for which no capitalization is available or applicable.

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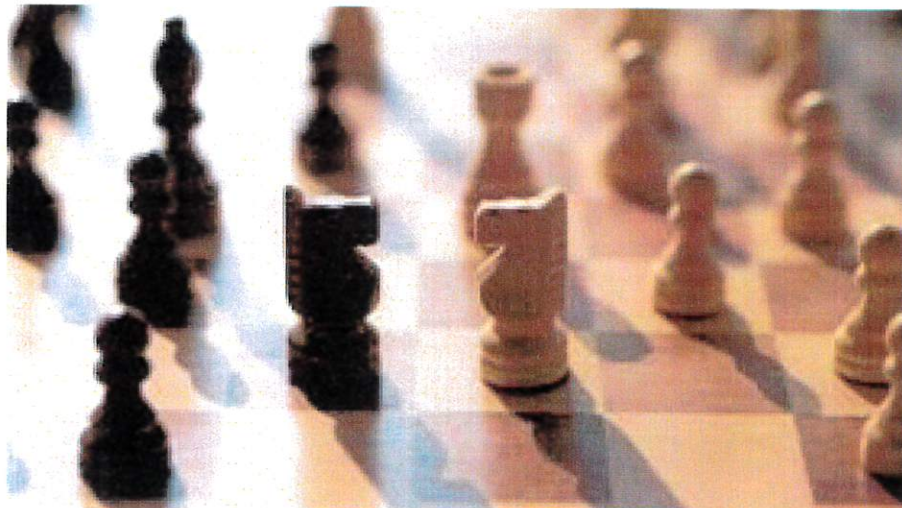
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**UBS Wealth Management Research**
**Fixed Income Strategist**

Market Comment


**February Update**
**■ Outlook: The Fed on hold**

The key question facing bond investors is whether the January rate hike will be the Fed's last. Our economics team believes this is the case. However, we look for bond yields to be biased slightly higher this month on market expectations for more tightening.

**■ Duration: A neutral allocation**

Above-trend economic growth, slightly higher inflation, and the potential for additional Fed tightening are likely to bias Treasury yields modestly higher this quarter, before yields fall later in the year. Given our view that Treasury yields will remain range-bound this year, we maintain a neutral duration weighting.

**■ Yield curve: Inversion to persist**

Structural and seasonal factors could deepen the inversion of the 10s/2s term spread in the near term. The shift in recent years in the Treasury borrowing mix to shorter maturities supports a flatter yield curve. In addition, there is strong demand for long-duration assets by pension managers and a tendency for the curve to flatten in February.

**■ Sectors: Changing agency and TIPS weightings**

We increase our weighting on agencies to a modest overweight and lower our weighting on TIPS to market weight. We recommend a modest overweight on mortgages and municipals and underweight on credit—all unchanged.

13 February 2006

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**ANALYST CERTIFICATION AND REQUIRED DISCLOSURES BEGIN ON PAGE 18**

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## February Outlook

### Does More Fed Tightening Lie Ahead?

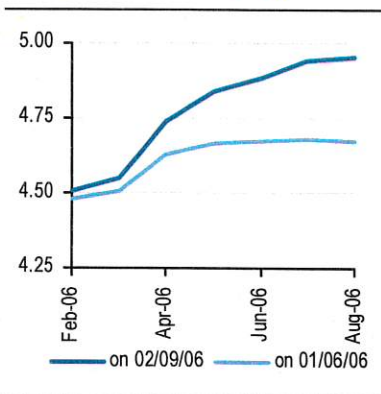
In a widely expected move, the Federal Reserve raised the target fed funds rate by 25 bps to 4.50% at the January 31 FOMC meeting. The Fed also modified the wording of the post-meeting statement, indicating that it will provide less guidance about its policy intentions, which suggests that future Fed policy will be more data dependent than it was earlier in the tightening cycle. As a result, we think the Treasury market may become more volatile as bond yields react to each data release's potential to shape Fed policy. With Fed policy no longer on auto pilot, the key question facing bond investors is whether the January rate hike will be the Fed's last. The UBS economics team believes this is the case. However, the consensus is for additional tightening: The fed funds futures market is pricing in a 94% chance of another 25 bp tightening at the March meeting and approximately a 54% chance of a 25 bp tightening at the May meeting (see top chart). As a consequence, we look for bond yields to be biased slightly higher this month based on market expectations for more Fed tightening.

### Yield Curve Inversion to Persist

In our view, structural and seasonal factors could deepen the inversion of the 10s/2s term spread in the near term. (See middle chart.) In general, the shift in recent years in the Treasury borrowing mix to shorter maturities supports a flatter yield curve. For example, short-term gross coupon issue (two- to five-year maturity notes) averaged 72% of total issuance in 1997-99 but grew to an average of 82% of all gross issuance in the past three years. The average maturity of Treasury debt outstanding has fallen to just over 6.5 years from more than nine years as recently as 2002. At the same time the relative supply of long-duration Treasuries has shrunk, low worldwide bond yields and contained inflation expectations have made global investors more comfortable moving out the yield curve. In addition, there is strong demand for long-duration assets by pension managers with long-duration liabilities, as demonstrated by the success of the recently reintroduced 30-year Treasury bond auction. We believe the structural shift in the financing mix has amplified the mismatch between supply and demand for Treasuries and will continue to support a flatter curve.

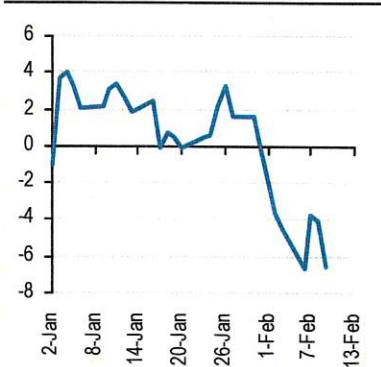
Finally, as UBS interest rate strategist Bill Prophet recently pointed out, the yield curve exhibits a strong seasonal tendency to flatten in February. The curve has flattened in 14 of the past 17 years in February, a trend that has considerable support from structural factors this year. Because of the high correlation between the fed funds rate and short maturity bond yields, we believe front-end maturity bonds will trade heavy and the curve will be biased flatter as long as the market believes additional Fed tightening is likely.

Fed Funds Futures Strip (%)



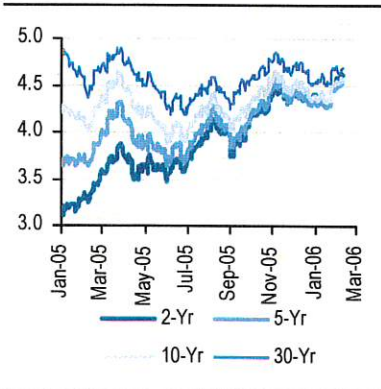
Source: Chicago Board of Trade

10s/2s Term Spread (bps)



Source: Bloomberg; \*January-February 2006

Treasury Yields (%)



Source: Bloomberg



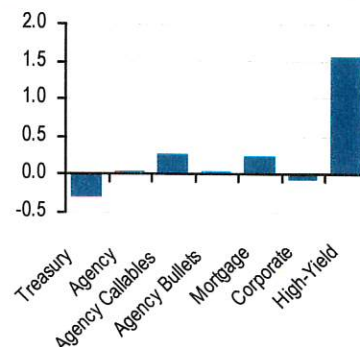
## Recommendations Update

We look for Treasury yields to be range-bound in 2006. The 5 to 25 bp increase in Treasury yields since the end of last year nudged Treasury yields back toward the middle of that range (see bottom chart on page 3). The rise in Treasury yields eroded the principal component of total return last month, causing most sectors of the bond market to post disappointing returns in January. The exception was the high yield market, which was the best performing sector in January (see top chart).

Heavy supply in the Treasury, agency, and corporate bond markets, along with the potential for additional tightening, should keep upward pressure on Treasury yields this month. Nevertheless, we expect housing and consumer data between now and the March 28 FOMC meeting to be weak enough to keep the Fed on the sidelines. The UBS economics team believes the Fed will stay on hold until the fourth quarter, when it expects a cut in the fed funds rate. Against this backdrop, we recommend the following:

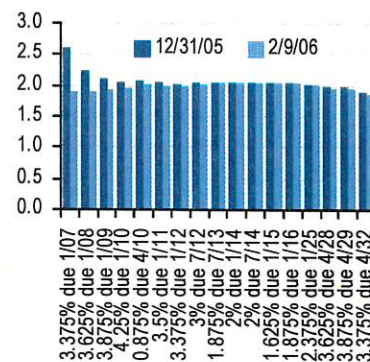
- Above-trend economic growth, slightly higher inflation, and the potential for additional Fed tightening are likely to bias Treasury yields modestly higher this quarter before yields fall later in the year as growth cools and slips below trend. Given our view that Treasury yields will remain range-bound this year, we maintain a neutral duration weighting.
- With the Treasury yield curve slightly inverted, short to intermediate maturity taxable bonds offer investors better risk-adjusted return potential than longer maturity bonds, in our view. In contrast, the yield curve in the municipal bond market remains quite steep. As a consequence, we like the 10- to 15-year maturity range, where 90% of the full curve yield is available. We maintain a modest overweight on the municipal sector based on solid credit fundamentals and modest supply.
- We are increasing our allocation in the agency sector to a modest overweight from a market weight. Event risk has diminished considerably, leading to an improvement in the agency market's credit dynamics at the same time that spreads remain at the wider end of the recent trading range, making valuation levels attractive, in our opinion.
- Wider break-even inflation spreads and a decline in real bond yields have made overall fundamentals of the TIPS market less positive (see middle chart). As a result, we recommend that investors scale back their modest overweight to market weight.
- With technicals remaining strong (limited supply and good overseas demand), we continue to hold a modest overweight in the mortgage-backed securities market. Although originations are likely to increase this year, demand from U.S. and foreign investors is likely to remain strong.

### January Sector Returns (%)



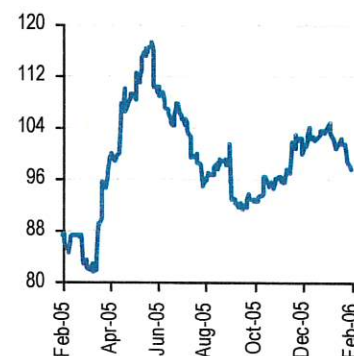
Source: Yield Book

### Real Yield Curve (%)



Source: Bloomberg

### Investment Grade Corporate OAS (bps)



Source: Yield Book





- Our negative view on the credit markets is predicated on our expectations that corporations will continue to pursue shareholder-friendly actions—such as share buybacks and dividend increases—to the detriment of bondholders. With credit quality probably peaking, we believe credit spreads should widen in the months ahead (see bottom chart on page 4). As a result, we recommend investors continue to underweight corporate and preferred securities.

Table 1: Fixed Income Sector Recommendations

Sector	Weight	Comment
Agency	Modest overweight	We are increasing our allocation in the agency sector to a modest overweight from a market weight. In our opinion, event risk has diminished considerably, leading to an improvement in the agency market's credit dynamics.
Mortgages	Modest overweight	With technicals remaining strong (limited supply and good overseas demand), we continue to hold a modest overweight.
Municipal	Modest overweight	We maintain a modest overweight on the municipal sector based on solid credit fundamentals and modest supply.
Treasury	Market weight	Given a range-bound interest rate environment in 2006, we continue to recommend a market weight allocation for the Treasury sector.
TIPS	Market weight	We recommend that investors scale back their modest overweight to market weight as real yields are still low and break-even inflation spreads are more closely in line with our inflation expectations.
Corporate	Modest underweight	We continue to be defensive on the corporate market because event risk from LBOs, M&A activity, stock buybacks, and other shareholder-friendly actions remains high.
High Yield	Modest underweight	Given historically tight spreads, continued significant uncertainty in the auto sector, and our expectation for less supportive fundamental and technical conditions, we are maintaining a modest underweight allocation.
Preferreds	Modest underweight	Prospects for expected credit deterioration, heavy net issuance, and a flat yield curve will probably pressure performance even as the interest rate outlook is more benign. Therefore, we maintain a modest underweight.

Source: UBS



## Core Recommendations

---



# Treasury Outlook

## Sector Outlook: Neutral Allocation: Market Weight

### Maintain Market Weight

We are maintaining our market weight allocation and neutral outlook on the Treasury sector. January was a difficult month for the Treasury market, as strong economic data, heavy supply in the credit markets, and the prospects of additional Fed tightening weighed on the market. The Treasury market was the worst performing sector of the bond market, posting a minus 0.3 bp return in January. With expectations for additional rate hikes from the Fed building, we believe bond yields are likely to be biased higher in the near term. However, as growth cools in the second half of the year and market attention shifts to the timing of a Fed easing in the fourth quarter, the 10-year Treasury yield is likely to trend lower. On balance, we expect Treasury yields to be range-bound this year, fluctuating around 4.50%. As a result, we are maintaining a neutral outlook and a market weight allocation.

### Supply Set to Ramp Up

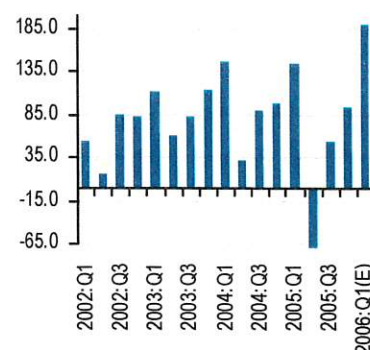
A growing borrowing need, coupled with a hefty amount of maturing debt, should cause Treasury issuance to ramp up significantly this quarter. On January 31, the Treasury revised its 1Q06 borrowing forecast to \$188 billion from an originally estimated \$171 billion last November. The current Treasury projection, which exceeds the previous record of \$145.9 billion borrowed in 1Q04, is the largest amount the Treasury proposes to borrow in a single quarter (see top chart). The amount of maturing notes and bonds this quarter—\$97 billion—is \$19 billion less than in 4Q05 but is still a sizable amount and implies a need to borrow a record \$285 billion this quarter (\$188 billion + \$97 billion). Coupon issuance in 1Q06 is likely to set a record and should exceed the \$186 billion gross issuance in 4Q04. The increase in Treasury supply, along with uncertainty about the Fed's policy intentions, should bias Treasury yields somewhat higher in the weeks ahead.

### Yield Curve Inversion Deepens

Since the beginning of January, Treasury yields have risen 5-25 bps, with the rise in yields most pronounced at the front end of the curve (see middle chart). The hawkish tone of the FOMC's January 31 statement opens the door for additional tightening at the March 28 FOMC meeting and leaves the front end of the curve especially vulnerable. Indeed, the fed funds futures strip is pricing in a 94% chance of an additional rate hike to 4.75%. Although we disagree with the consensus for additional tightening—the UBS economics team believes the January rate hike marks the end of the tightening cycle—the front end of the curve will trade heavy while the Fed remains in play. As a result, the inversion of the 10s/2s term spread will probably widen further in the weeks ahead, especially on stronger data (see bottom chart). However, once it becomes apparent that the Fed is on hold, we would expect a quick reversal of the recent inversion in the 10s/2s term spread.

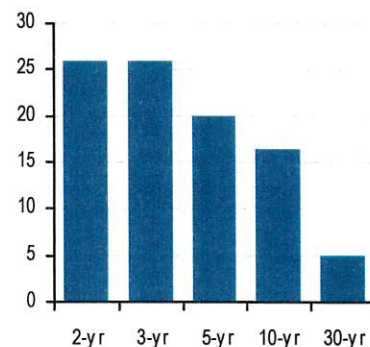
Anne Briglia, CFA  
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### Net Marketable Borrowings (\$ blns)



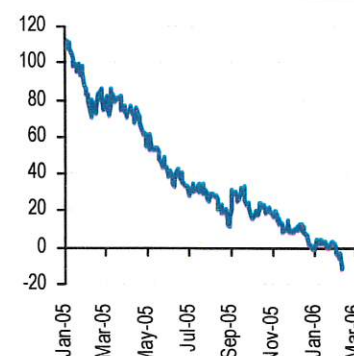
Source: US Treasury, Stone & McCarthy

### Monthly Change in Bond Yields (bps)



Source: Bloomberg

### 10s/2s Term Spread (bps)



Source: Bloomberg





## Agency Outlook

### Sector Outlook: Positive Allocation: Modest Overweight

#### Raising Allocation to Modest Overweight

We are increasing our allocation in the agency sector to a modest overweight from a market weight. In our opinion, event risk has diminished considerably, leading to an improvement in the credit dynamics of the agency market. Although accounting-related issues have yet to be resolved at Fannie Mae, accounting matters have been put to rest at Freddie Mac, and they do not appear to be an issue at the other GSEs. Second, despite narrowing in January, spreads remain at the wider end of the recent trading range, making valuation levels attractive, in our opinion (see top chart). Finally, because of the relatively low absolute level of interest rates, we believe demand for incremental yield will remain strong this year and should be adequate to absorb the modest increase in gross and net agency issuance in 2006 without forcing spreads appreciably wider. The expected growth in supply this year follows three consecutive declines in issuance and a \$3 billion contraction in the size of the overall agency market in 2005.

#### Momentum for GSE Reform Ebbs

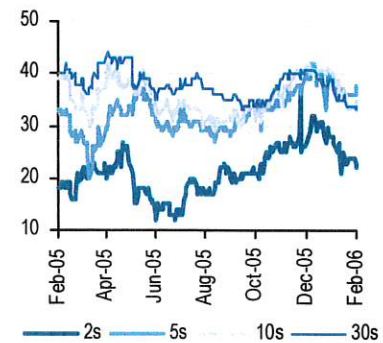
Senator Richard Shelby (R-AL) issued a press release on January 31 outlining the priorities of the Senate Banking Committee for 2006. Notably, of the 13 items Senator Shelby listed on the committee's agenda, GSE regulatory reform was last. We think the ranking speaks for itself. Like UBS senior lobbyist John Savercool, we see little chance of legislation being passed this year, barring a new round of problematic disclosures. Regulatory reform would have strengthened oversight of the GSEs through the creation of a more powerful, better funded "world class" regulator—a positive from a bond holder's view. However, it appears that the strong momentum that existed in the aftermath of the accounting scandals at Freddie Mac and Fannie Mae has dissipated, with regulatory reform looking increasingly unlikely this year.

#### Agencies Eke Out Slightly Positive Return in January

Total returns in the fixed income market were largely disappointing last month, but the agency sector managed to eke out slightly positive returns, with the callable portion of the market matching the return of the mortgage-backed securities market (see middle chart). The 3 to 7 bp narrowing in bullet agency spreads last month helped to offset the rise in benchmark Treasury yields, producing slightly positive returns in the bullet sector of the agency market last month (see bottom chart). However, the callable sector outperformed bullets by about 20 bps, helped mainly by its shorter duration (3.39 versus 4.2).

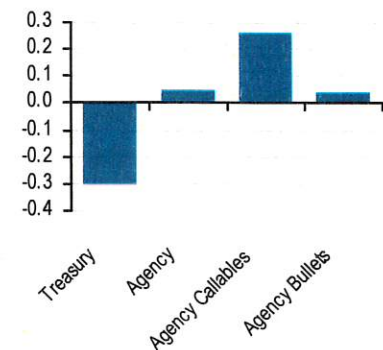
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#### Bullet Agency Spreads (bps)



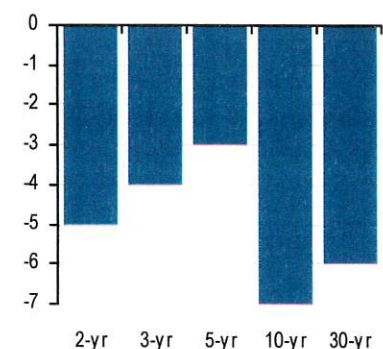
Source: Bloomberg

#### January Sector Returns (%)



Source: Yield Book

#### Change in Bullet Spreads (bps)



Source: Bloomberg; \*January 2006



# Mortgage Outlook

## Sector Outlook: Positive Allocation: Modest overweight

### Maintain Mortgage Market Overweight

Mortgages put in another decent showing, outperforming Treasuries and swaps by 5-12 ticks since the beginning of the year. The spread between the current coupon mortgage and the average of the five- and 10-year swap spread now stands at 75 bps, in sharply from 90 bps in mid-November. Yes, spreads are tight and mortgages appear rich (about 7 bps rich on our models; see top chart), but only because volatility is so low by historical standards—and it should be. Volatility is low because: 1) the curve is flat, and 2) the mortgage market is not refinancable, so the bid for volatility is low. However, we think volatility still has room to fall further. The middle chart shows a regression analysis of the volatility on the 1-year x 10-year swaption. Using 10 years of data and expressed as a function of the level of rates, the level of rates squared, curve shape, and rate attractiveness, our model indicates that volatility is actually higher than it should be (annualized volatility is 90 bps versus the model's suggested 84 bps). Also, when comparing the volatility of the U.S. swap market with other global swap markets, the U.S. is much higher. We would expect this since the U.S. has a large fixed rate mortgage market. But as rates rise, the negative convexity of the mortgage market becomes less of an issue; thus, U.S. volatility should decline relative to other global markets. With technicals remaining strong (limited supply and good overseas demand), we continue to hold a modest overweight.

### Retained Portfolios

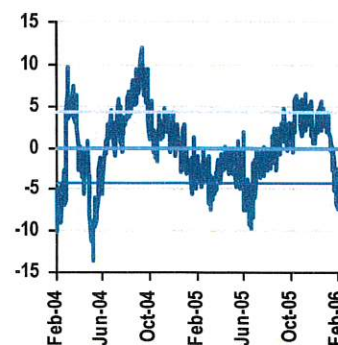
Recent releases indicate that both GSEs added to their portfolios in December (see bottom table). Fannie added \$11.6 billion, its first positive month since October 2004. Freddie added \$17.3 billion, its second largest growth month in 2005. (August was the largest addition with \$17.7 billion; additions for the year averaged about \$4.8 billion per month). We believe strong participation reflects attractive spreads that prevailed in November, and we expect them to add less aggressively at current levels. Meanwhile, we have seen very limited selling from originators and servicers.

### Fed Tightening

As expected, the Fed tightened another 25 bps. More interestingly, the wording “some measured policy firming is likely to be needed” was replaced with “some further policy firming may be needed.” The Eurodollar futures market anticipates one more 25 bp move in March. If longer-term rates were to move higher in tandem, we would expect to see servicer selling, but it is likely to be met with Asian buying.

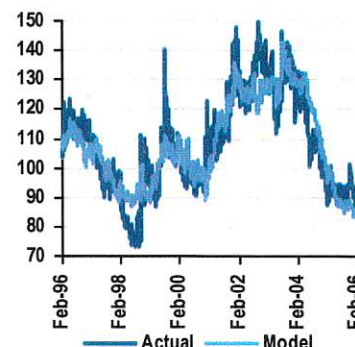
Wilfred Wong  
212-713-7604

Current Coupon Rich/Cheap Model  
(bps)



Source: UBS

1x10-yr Swaption Vol Regression  
Analysis (bps)



Source: UBS

Retained Portfolio (\$blns)

Date	Fannie Mae	Freddie Mac
Dec-05	727.173 (+11.6)	710.017(+17.3)
Average		
Change	-14.8/month	4.8/month

Source: UBS





# Corporate Outlook

## Sector Outlook: Negative Allocation: Modest Underweight

### Remain Defensive

We remain defensive on the corporate market because event risk from LBOs, M&A activity, stock buybacks, and other shareholder-friendly actions remains high. Our expectations for gradual credit quality deterioration, the inverted Treasury curve, and prospects for increased volatility as the Fed nears the end of tightening cycle also call for a cautious stance, in our view. Although we continue to foresee a moderate and manageable increase in supply this year, we believe the risk is toward greater and more lower-rated issuance. In line with our cautious outlook overall, we continue to favor higher-quality, defensive, low-beta sectors (e.g., banks, brokers, specialty finance) while avoiding issuers/sectors where the risk of LBOs and equity-friendly actions is high (e.g., beverage and bottling, cable and media, consumer products, food processors, paper and forest products).

### Solid Start to the Year

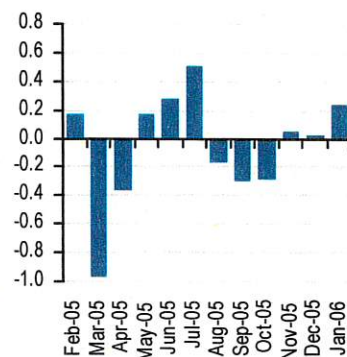
Investment-grade corporates registered total returns of negative 0.1% in January, modestly outperforming Treasuries, which returned negative 0.3% (see top chart). Overall spreads came in about 7 bps in January, helped by generally solid earnings reports, as well as reinvigorated demand from the CDO market. Spread narrowing was driven substantially by the auto sector—Ford Credit falls out of the Yield Book investment-grade index beginning this month—which tightened over 80 bp in January (see middle chart). Auto manufacturing gained 2.8% last month, beating all other subsectors by a wide margin. Food processors, beverage and bottling, pharmaceuticals, secondary oil and gas, and consumer products underperformed the most.

### Risks to the Long End

The spread difference between the seven- to 10-year and the 10-plus sector of the corporate market widened substantially last year as the corporate curve failed to keep in pace with Treasury flattening. The credit spread differential between seven- to 10-year and 10-plus maturities hovered around 30 bps during the past half year, up from 10 bps at the start of 2004 (see bottom chart). Treasuries continued to flatten this year and have inverted most recently—the Treasury 10s/30s curve currently stands at minus 4 bps, down from 14 bps at the start of the year. Given prospects for deeper Treasury curve inversion, the risk that the back end of the corporate spread curve will steepen further remains high. Therefore, despite relative steepness in the credit spread curve, we do not advocate a wholesale curve extension strategy at this point. Keep in mind also that longer-dated debt is generally more vulnerable to deterioration in credit quality, which is another negative for the sector, in our view.

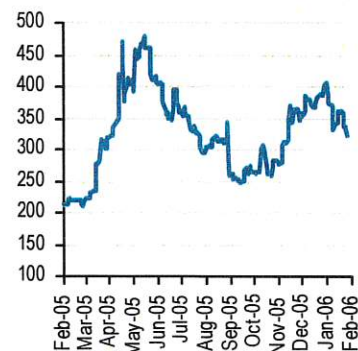
Jennelyn Tanchua  
212-713 3553

### Excess Returns to Treasuries (%)



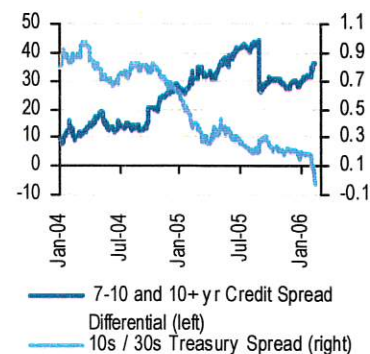
Source: Yield Book

### Auto Sector OAS (bps)



Source: Yield Book

### OAS to Treasuries (bp)



Source: Yield Book

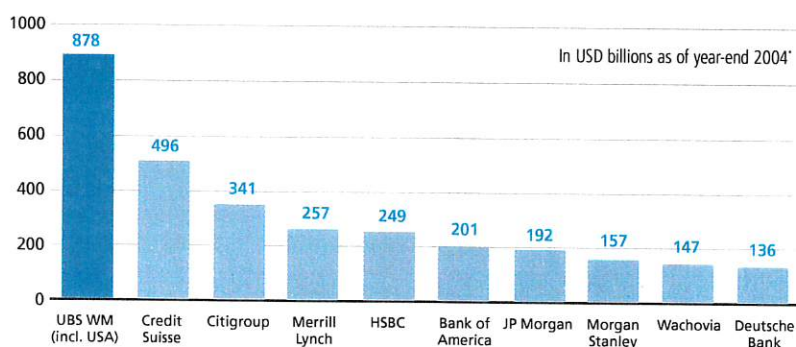




# Corporate Profile

UBS, our parent company, is one of the world's largest wealth managers and a leading global investment banking and securities business.

## Private Client Invested Assets—Top 10 Banks



\*Source: *Wealth Partnership Review*, April 2005 and company reporting. The survey is based on invested assets at private banks and fee-based assets at U.S. brokerage houses. UBS Wealth Management includes Wealth Management US (UBS Financial Services Inc.) fee-based invested assets.

## Strong Credit Rating

We have an excellent credit rating among financial service institutions from Standard & Poor's.

AAA		
Rabobank Nederland		
AA+		
UBS AG		
AA		
Banco Popular Espanol, S.A. Bank of America N.A. Bank of Scotland Barclays Bank PLC BNP Paribas Dexia Bank S.A. Halifax PLC Lloyds TSB Bank PLC State Street Bank and Trust Co. Wells Fargo Bank Northwest, N.A.		
AA-		
ABN AMRO Bank N.V. Bank of New York Trust Co., N.A. Citigroup Global Markets Holdings Inc. Deutsche Bank AG HSBC Bank PLC National Australia Bank Ltd. Royal Bank of Scotland Group PLC Wachovia Bank, N.A.		
A+		
Allied Irish Banks PLC Banco Santander Central Hispano, S.A. Bank of Ireland Credit Suisse Goldman Sachs Group Inc. J.P. Morgan Chase & Co. Lehman Brothers Holdings Inc. Merrill Lynch & Co. Inc. Morgan Stanley U.S. Bancorp		
A		
Banco de Sabadell S.A. Bear Stearns Cos. Inc. Dresdner Bank AG Swedbank		

Source: Standard & Poor's long-term credit rating as of November 28, 2005 (subject to change).

## Recognized Strength

UBS has garnered numerous industry awards, demonstrating our continuing commitment to excellence.

We have received top rankings in these areas:

### 1 World's Largest Wealth Manager

Source: *Scorpio Partnership*, October 2005

- UBS manages over \$2.07 trillion of client assets worldwide as of September 30, 2005

### 1 Best Global Private Bank

**Best Private Bank for High Net Worth (\$1 million – \$30 million)**

**Best Provider of Portfolio Management: Equities**

**Best Provider of Portfolio Management: Fixed Income**

**Best Provider of Hedge Fund Investments**

**Best Provider of Private Equity Investment**

**Best Provider of Inheritance and Succession Planning**

**Best at Relationship Management**

**Best at Privacy and Security**

Source: *Euromoney*, January 2005

### 1 Ranked #1 in Research by Institutional Investor

- #1 All-Europe Research Team
- #1 Latin America Research Team
- #1 All-Asia Research Team
- #1 Emerging-EMEA (Europe, Mideast, Africa) Research Team

Source: *Institutional Investor*, 2005

### 1 Best Private Bank

Source: *Global Finance*, 2005

### 1 UBS Online Services

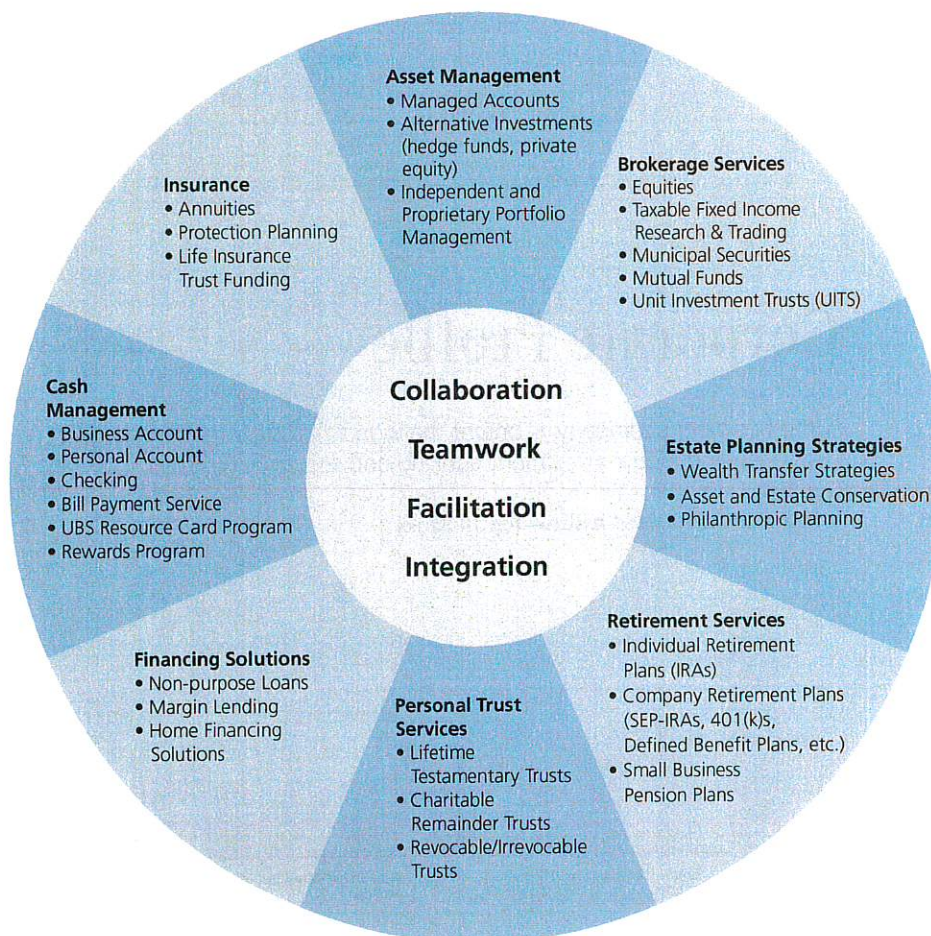
- Ranked #1 for ease of use and self-service capabilities

Source: *GomezPro Scorecards*, 2005



## Complex Needs Require Comprehensive Solutions

We believe that total wealth management begins with the collaborative relationship between you and your Financial Advisor. In working closely with you to fully understand your particular situation, your Financial Advisor can also provide access to the extensive global resources of one of the world's largest wealth management firms. This gives you the benefit of a wide variety of products and services targeted specifically to your unique needs and goals.



\*Neither UBS Financial Services Inc. nor its employees provide tax or legal advice. Please consult with your tax and legal advisors regarding your specific situation.

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For more information, please visit our web site at [www.ubs.com/workingwithus](http://www.ubs.com/workingwithus)



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## **Loss Control Manager's Report**

Mark Brady, Loss Control Manager  
Brody Parker, Workers Compensation Specialist  
UCIP Board Meeting  
16 February 2006

### **Risk Management Programs:**

Both the Risk Management Program and the Workers Compensation Loss Control Program have been sent to all Member Counties.

We will be encouraging follow up by sending out an email Newsletter with suggested dates for completing different steps of the program. We will also send out email reminders to all Member Counties prior to important deadlines.

Further follow-up will be provided during training and inspection visits. A final evaluation will be provided through a personal visit by the Loss Control Manager in the fall.

### **Electronic Newsletters:**

Prior to the end of the first quarter, E-newsletters will be sent to Member Counties addressing risk management issues for insurance coordinators, law enforcement, and personnel.

Input from the personnel committee and the law enforcement committee for suggestions on topics and related content. It is anticipated that the E-newsletters will be issued on no more than a quarterly basis.

### **Training:**

Due to increasing concerns about Workplace Harassment Investigation and follow-up, a new module of training will be added for supervisors. Training will be provided upon request of Member Counties and will be tailored to the specific County's needs.

Currently, our Workers Compensation Specialist provides in-county training in the following areas: DDC, BBP, OSHA, Lockout/Tagout, Workplace Safety, Slip and Fall.

The Loss Control Manager currently provides in-county training on: Harrassment, Discipline and Documentation, Employee Evaluation, DDC, Law Enforcement Liability.





**Inspections:**

Beginning in March, the Loss Control Manager will be conducting inspections of county facilities statewide. The object of the inspections will be to assess general public safety and ADA accessibility as well as fire hazard protection.

The Workers Compensation Specialist is available for onsite workplace safety inspections.

**Consultation Support:**

The Loss Control Manager is available for consultation on any risk management issue. Specific emphasis relates to personnel issues and law enforcement liability.

The Workers Compensation Specialist is likewise available for consultation on workplace safety issues.

**Calendar:**

**Facility Management Conference: February 23, Provo**

**Insurance Coordinators Workshop: April 18,**

**Planning and Zoning conference: April 6, Provo**

**Personnel Workshop: May 18, 19 Bryce Canyon**

**Risk Management Certificate: August 22-24, Cedar City**



# **CEO REPORT**

**Report Date: February 16, 2006**

**Period covered by report: from December 15, 2005 to February 15, 2006**

## **BOARD INFORMATION ITEMS**

1. Trustees who want to attend the AGRIP seminar in Tampa need to let staff know by tomorrow, February 17<sup>th</sup>. The hotel guarantee is expiring and AGRIP has also instituted a late fee that goes into effect on the 18<sup>th</sup>.

## **COMMITTEE MEETINGS**

1. Litigation Management Committee met on February 15.
2. Audit Committee should meet with Larson in the near future in advance of the audit.

## **MARKETING**

1. I had begun working with Salt Lake County on a law enforcement only quote. After working on the quote, I realized that the Sheriff's Office would likely become a "Unified Police Authority", similar to what Salt Lake County has done with the County Fire Department. I have not yet given a quote to Salt Lake County.

Assuming Salt Lake County will convert its Sheriff's Office to a Unified Authority on July 1, 2006, two questions arise:

- a) Does UCIP want to quote the law enforcement coverage for a 5 month period; and
  - b) Would UCIP continue the law enforcement coverage to the Unified Authority?
2. We will aggressively market Workers' Compensation to the health departments that are currently not in the work comp pool for July 1 renewals..

## **CLAIMS**

1. Workers' Compensation claims report is attached. Page one summarizes all claims for 2006 to date. Page two has all claims for all years. Gross claims development through the first month of 2006 is about \$45,000. This is of course only the first month of the year.

2. Multiline claims report is attached.

In the current multiline accident year beginning January 1, 2006, we have incurred losses of \$70,579. Of course, this is an immature annual figure, but at least we didn't have a \$600,000 fire.

In the all years' report, we currently have open 165 claims, including 14 made in 2006. Although not shown on this report, incurred for all open claims is \$4,539,208.

We will have a review of large claims in the closed session.

### **LEGISLATIVE ITEMS**

1. SB 113-Bill to originally raise tort caps to \$1 million per claimant with no. aggregate. Revised bill has \$1 million per claimant with \$10 million aggregate, and calls for a study to create a catastrophe fund for local governments, to be completed by 7/1/2007. Passed Senate, now in House.
2. SB 170-Basically dead. Concessions being made via SB 267 and SB 268.
3. HB 9-Makes many forms of cancer presumptive for firefighters and drug task force members. Being rewritten.



**UTAH COUNTIES INSURANCE POOL**  
**Workers' Compensation Report**  
**This Year as of 1/31/06**

COUNTY	PREMIUM 2006	NUMBER OF CLAIMS YEAR TO DATE										TOTALS		LOSS RATIO
		Medical Only				Indemnity				Paid	Reserves	Incurred		
		Open	Closed	Paid	Incurred	Open	Closed	Paid	Expense					
Cache	\$115,129	2	0	\$0	\$5,700	0	0	\$0	\$0	\$0	\$5,700	\$5,700	4.95%	
Carbon	\$118,015	2	1	\$293	\$500	0	0	\$0	\$0	\$0	\$207	\$500	0.42%	
Daggett	\$26,922	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	0.00%	
Duchesne	\$62,296	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	0.00%	
Emery	\$64,721	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	0.00%	
Garfield	\$32,355	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	0.00%	
Grand	\$40,504	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	0.00%	
Iron	\$88,336	2	2	\$68	\$4,500	0	0	\$0	\$0	\$0	\$4,432	\$4,500	5.09%	
Juab	\$26,135	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	0.00%	
Kane	\$31,232	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	0.00%	
Millard	\$92,653	1	0	\$0	\$4,500	1	0	\$306	\$4,327	\$0	\$8,521	\$8,827	9.53%	
Morgan	\$23,180	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	0.00%	
Piute	\$6,757	0	0			0	0	\$0	\$0	\$0		\$0	0.00%	
Rich	\$11,411	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	0.00%	
San Juan	\$61,925	3	1	\$250	\$5,500	0	0	\$0	\$0	\$0	\$250	\$5,500	8.88%	
Sanpete	\$27,538	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	0.00%	
Sevier	\$31,838	2	0	\$0	\$700	0	0	\$0	\$0	\$0	\$700	\$700	2.20%	
Summit	\$97,394	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	0.00%	
Tooele	\$114,640	1	0	\$0	\$5,500	2	0	\$0	\$829	\$0	\$6,329	\$6,329	5.52%	
Uintah	\$117,473	1	0	\$98	\$500	0	0	\$0	\$0	\$2	\$402	\$500	0.43%	
Utah	\$218,826	5	0	\$290	\$5,700	0	0	\$0	\$0	\$0	\$5,410	\$5,700	2.60%	
Wasatch	\$97,947	1	0	\$0	\$1,500	0	0	\$0	\$0	\$0	\$1,500	\$1,500	1.53%	
Wayne	\$6,691	0	0			0	0	\$0	\$0	\$0		\$0	0.00%	
Weber	\$433,808	6	3	\$101	\$3,200	0	0	\$0	\$0	\$0	\$3,099	\$3,200	0.74%	
Wasatch MH	\$48,156	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	0.00%	
TOTALS	\$1,995,883	26	7	\$1,101	\$37,800	3	0	\$306	\$5,156	\$2	\$41,549	\$42,956	25.83%	



**UTAH COUNTIES INSURANCE POOL**  
**Workers' Compensation Report**  
**All Years as of 1/31/06**

COUNTY	EFFECTIVE DATE	PREMIUMS			NUMBER of CLAIMS										TOTAL INCURRED			LOSS RATIO
		2004	2005	2006	Medical Only			Indemnity			2004	2005	2006					
					Open	Closed	Incurred	Paid	Open	Closed				Incurred	Paid	Expense		
Cache	7/1/2004	\$34,560	\$96,747	\$115,129	11	36	\$124,465	\$92,140	3	4	\$26,403	\$6,528	\$3,649	\$35,710	\$88,755	\$5,700	94.79%	
Carbon	1/1/2004	\$90,781	\$90,781	\$118,015	6	37	\$94,211	\$91,547	2	2	\$21,220	\$11,120	\$5,549	\$93,888	\$7,157	\$500	55.65%	
Daggett	1/1/2004	\$13,232	\$23,010	\$26,922	2	5	\$2,119	\$543	0	0	\$0	\$0	\$92	\$436	\$1,775	\$0	6.10%	
Duchesne	1/1/2004	\$35,820	\$49,837	\$62,296	0	9	\$17,666	\$17,666	0	1	\$1,925	\$1,925	\$188	\$18,233	\$1,576	\$0	23.13%	
Emery	1/1/2004	\$49,785	\$49,785	\$64,721	1	11	\$39,003	\$36,062	1	2	\$26,892	\$22,249	\$1,890	\$59,654	\$8,131	\$0	68.08%	
Garfield	1/1/2004	\$22,047	\$27,654	\$32,355	0	9	\$6,125	\$6,125	0	1	\$5,232	\$5,232	\$429	\$3,691	\$8,094	\$0	23.71%	
Grand	1/1/2004	\$25,504	\$34,619	\$40,504	3	13	\$22,285	\$20,803	0	1	\$2,808	\$2,808	\$1,496	\$2,485	\$24,104	\$0	44.22%	
Iron	1/1/2004	\$62,704	\$74,232	\$88,336	5	41	\$31,788	\$27,269	0	3	\$2,144	\$2,144	\$1,178	\$24,841	\$10,268	\$4,500	25.64%	
Juab	1/1/2004	\$23,557	\$22,338	\$26,135	1	6	\$33,505	\$15,369	1	2	\$626,876	\$0	\$3,917	\$4,035	\$662,961	\$0	1453.31%	
Kane	1/1/2004	\$10,547	\$26,694	\$31,232	1	6	\$2,630	\$2,230	0	1	\$2,446	\$2,446	\$49	\$711	\$4,414	\$0	13.76%	
Millard	1/1/2004	\$54,271	\$79,191	\$92,653	2	32	\$29,412	\$27,387	0	1	\$673	\$673	\$1,140	\$15,981	\$15,243	\$8,827	23.40%	
Morgan	1/1/2004	\$14,966	\$19,479	\$23,180	0	3	\$64,770	\$46,175	1	0	\$22,082	\$0	\$2,986	\$2,522	\$87,316	\$0	260.82%	
Piute	2/1/2004	\$3,800	\$5,678	\$6,757	0	0	\$0	\$0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	
Rich	2/1/2004	\$4,085	\$9,129	\$11,411	1	1	\$18,025	\$16,296	0	2	\$914	\$914	\$677	\$15,371	\$4,245	\$0	148.45%	
San Juan	1/1/2004	\$26,820	\$49,540	\$61,925	3	27	\$60,916	\$42,857	2	7	\$30,332	\$13,326	\$1,937	\$28,979	\$64,206	\$5,500	122.03%	
Sanpete	1/1/2004	\$21,096	\$21,183	\$27,538	0	4	\$41,818	\$36,399	1	0	\$18,346	\$0	\$3,801	\$66,274	\$383	\$0	157.66%	
Sevier	1/1/2004	\$21,791	\$24,491	\$31,838	3	23	\$37,501	\$26,851	1	4	\$9,530	\$7,316	\$2,010	\$30,901	\$18,140	\$700	105.96%	
Summit	1/1/2005	\$0	\$83,243	\$97,394	5	16	\$14,105	\$6,318	0	0	\$0	\$0	\$525	\$0	\$14,630	\$0	17.58%	
Tooele	1/1/2005	\$0	\$97,983	\$114,640	10	17	\$56,930	\$33,000	3	7	\$31,549	\$19,456	\$3,901	\$0	\$92,379	\$6,329	94.28%	
Uintah	1/1/2004	\$80,020	\$93,978	\$117,473	5	41	\$55,824	\$49,124	0	2	\$102	\$102	\$4,793	\$35,866	\$19,958	\$500	32.08%	
Utah	4/1/2004	\$126,850	\$187,031	\$218,826	26	101	\$164,883	\$99,534	6	4	\$52,455	\$17,083	\$7,432	\$84,476	\$140,294	\$5,700	71.61%	
Wasatch	1/1/2005	\$0	\$83,715	\$97,947	4	4	\$5,172	\$572	0	0	\$0	\$0	\$29	\$0	\$5,201	\$1,500	6.21%	
Wayne	1/1/2004	\$5,719	\$5,719	\$6,691	0	1	\$15,955	\$155	1	0	\$12,950	\$1,408	\$0	\$158	\$28,750	\$0	252.73%	
Weber	6/1/2004	\$178,296	\$370,776	\$433,808	17	93	\$122,875	\$28,197	2	6	\$48,022	\$22,677	\$6,523	\$30,256	\$147,164	\$3,200	32.31%	
Wasatch MH	7/1/2005	\$0	\$24,078	\$48,156	6	1	\$15,900	\$5,957	0	0	\$0	\$0	\$522	\$0	\$16,423	\$0	68.21%	
TOTALS		\$906,251	\$1,650,911	\$1,995,883	112	537	\$1,077,912	\$798,605	24	50	\$942,899	\$137,408	\$54,714	\$554,470	\$1,471,568	\$42,956	75.97%	



# UTAH COUNTIES INSURANCE POOL

## Multiline Claims Report

YTD as of 1/31/06

COUNTY	PREMIUM	NUMBER of CLAIMS YTD		TOTAL PAID	TOTAL RESERVES	TOTAL INCURRED	LOSS RATIO
		Open	Closed				
Beaver	61,521	0	0	0	0	0	0%
Box Elder	173,314	0	0	0	0	0	0%
Cache	203,591	1	0	0	1,500	1,500	1%
Carbon	139,908	0	0	0	0	0	0%
Daggett	41,036	0	0	0	0	0	0%
Davis	372,150	1	1	64	1,500	1,564	0%
Duchesne	120,698	1	1	3,108	10,000	13,108	11%
Emery	159,975	0	0	0	0	0	0%
Garfield	60,647	0	0	0	0	0	0%
Grand	95,233	0	0	0	0	0	0%
Iron	155,218	0	0	0	0	0	0%
Juab	108,545	1	0	0	4,000	4,000	4%
Kane	74,969	0	0	0	0	0	0%
Millard	139,835	0	0	0	0	0	0%
Morgan	48,946	1	0	0	5,000	5,000	10%
Piute	22,501	0	0	0	0	0	0%
Rich	44,761	0	0	0	0	0	0%
San Juan	153,145	0	0	0	0	0	0%
Sanpete	62,727	0	0	0	0	0	0%
Sevier	84,943	0	0	0	0	0	0%
Tooele	203,102	0	0	0	0	0	0%
Uintah	198,815	2	0	12,745	3,755	16,500	8%
Utah	447,677	3	0	0	11,000	11,000	2%
Wasatch	200,290	2	0	4,685	2,315	7,000	3%
Washington	233,638	0	0	0	0	0	0%
Wayne	40,897	0	0	0	0	0	0%
Weber	456,521	2	1	5,590	5,317	10,907	2%
Bear River HD	18,674	0	0	0	0	0	0%
Central HD	10,916	0	0	0	0	0	0%
Southeast HD	12,696	0	0	0	0	0	0%
Southwest HD	15,384	0	0	0	0	0	0%
Tooele HD	5,939	0	0	0	0	0	0%
Tri-County	8,603	0	0	0	0	0	0%
Wasatch HD	3,407	0	0	0	0	0	0%
Weber-Morgan	14,989	0	0	0	0	0	0%
TOTALS	\$4,195,211	14	3	26,192	44,387	70,579	2%



# UTAH COUNTIES INSURANCE POOL

## Multiline Claims Report

All Years as of 1/31/06

	Number of Claims			Total Incurred												Total		
	Open	Closed		1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003		2004	2005
Beaver	2	77	1,454	2,972	7,397	7,953	30,644	15,366	11,783	28,952	10,862	26,351	5,863	6,906	25,534	40,376	0	222,403
Box Elder	6	235	7,960	153,460	53,712	51,568	11,367	23,292	10,189	3,262	115,023	48,523	277,398	114,355	24,283	657,975	0	1,552,367
Cache	11	269	223,764	274,008	140,866	28,527	81,914	35,366	16,318	17,547	93,369	211,886	62,267	59,260	148,862	123,565	1,500	1,519,019
Carbon	1	61	0	0	0	0	0	0	121,825	30,953	2,389	355,226	22,243	18,193	6,189	13,899	0	570,916
Daggett	0	17	0	0	0	0	0	0	0	0	2,337	0	23,500	9,680	57,189	35,197	0	127,903
Davis	14	657	73,363	256,424	223,267	111,543	243,774	382,198	71,179	116,748	62,674	130,611	130,552	215,466	216,535	47,655	1,564	2,283,552
Duchesne	7	148	22,926	76,176	20,774	24,684	13,122	41,632	7,319	76,518	0	49,719	41,242	309,013	39,130	31,798	13,108	767,161
Emery	2	107	82,379	32,961	83,281	8,032	29,143	50,376	23,305	7,079	6,044	6,793	12,759	200,526	24,172	15,880	0	562,729
Garfield	2	39	5,000	938	2,477	33,445	10,104	0	9,873	0	295	0	14,785	11,963	11,640	27,468	0	127,989
Grand	3	116	6,812	43,012	2,938	2,947	60,804	714	30,145	19,438	48,608	21,713	2,336	181,173	8,620	2,419	0	431,679
Iron	7	140	911	289,361	128,551	14,643	2,917	8,793	96,256	4,339	19,653	75,042	95,048	101,919	28,121	33,498	0	899,052
Juab	1	52	0	32,718	67,707	5,631	22,838	17,236	172,902	5,501	16,155	33,471	14,661	140	584	8,896	4,000	402,439
Kane	4	61	0	0	7,777	6,992	4,493	0	135,261	4,143	22,024	14,790	28,992	22,578	38,801	6,200	0	292,050
Millard	2	147	0	2,669	21,738	90,408	40,832	8,821	99,179	22,767	42,468	10,134	40,487	21,171	29,980	19,850	0	450,505
Morgan	3	14	0	0	0	0	0	0	0	0	0	0	0	0	39,759	880	5,000	45,639
Piute	1	4	0	0	0	0	7,174	0	0	0	0	6,875	20,000	0	0	0	0	34,048
Rich	3	14	777	800	1,630	5,788	1,947	0	10,407	300,000	849	0	480	0	16,000	5,500	0	344,178
San Juan	4	156	52,355	21,010	8,957	58,771	19,226	5,522	94,754	40,475	27,928	40,922	4,017	128,676	482,415	8,167	0	993,195
Sanpete	5	102	79,147	15,711	17,474	117,040	5,299	1,776	2,075	28,068	32,904	17,424	26,932	11,869	1,006	22,145	0	378,871
Sevier	4	105	7,604	8,879	22,863	7,316	2,837	14,415	16,907	1,530	14,861	2,434	223,746	6,976	41,358	37,352	0	409,080
Tooele	5	112	42,882	215,726	75,689	29,067	0	0	0	0	0	0	0	0	38,467	274,811	0	676,642
Uintah	12	192	185,199	39,623	202,953	46,706	61,641	84,256	40,240	61,638	6,349	84,110	457,791	91,945	85,689	71,817	16,500	1,536,457
Utah	28	576	154,286	125,687	191,225	152,602	134,502	214,695	301,890	104,271	98,616	351,249	26,186	195,054	316,193	375,922	11,000	2,753,377
Wasatch	12	114	15,946	17,620	160,236	53,121	74,388	357,315	3,649	181,369	14,758	32,988	213,249	47,161	70,533	48,579	7,000	1,297,910
Washington	12	293	165,231	64,911	112,514	53,944	41,792	7,024	169,317	159,102	14,761	53,525	41,890	355,515	131,028	48,656	0	1,419,210
Wayne	1	16	1,202	0	202	0	23,831	569	23,849	0	0	0	55,786	644	0	623	0	106,707
Weber	13	385	0	0	0	0	0	0	39,412	437,888	512,219	469,347	67,585	229,908	475,798	75,068	10,907	2,318,132
Bear River HD	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1,692	0	1,692
Central HD	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	3,312	0	3,312
Southeast HD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Southwest HD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tooele HD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tricounty HD	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	16,164	0	16,164
Wasatch HD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weber-Morgan HD	0	4	0	0	0	0	0	0	0	0	0	0	0	0	0	978	2,106	3,084
Total	165	4,216	1,129,196	1,674,665	1,554,228	910,728	924,589	1,269,357	1,508,033	1,651,588	1,165,146	2,043,132	1,909,795	2,343,402	2,360,556	2,052,466	70,579	22,567,461



# UTAH COUNTIES INSURANCE POOL

## Multiline Claims Report

All Years as of 1/31/06

	Premiums														Total	Loss Ratio	
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005			2006
52,448	59,488	62,415	58,398	59,350	57,972	60,076	62,378	65,378	69,954	68,196	70,907	70,907	70,907	60,785	61,521	878,651	25%
147,397	154,421	161,435	171,728	205,051	199,334	192,759	173,386	169,078	167,505	164,987	160,800	163,471	163,471	164,995	173,314	2,396,347	65%
141,388	148,126	155,132	182,941	217,715	222,812	217,311	201,590	194,768	194,552	187,070	198,194	211,900	211,900	198,563	203,591	2,672,062	57%
0	0	0	0	0	0	0	19,538	78,156	77,154	82,555	95,953	111,413	119,539	137,757	139,908	722,065	79%
0	0	0	0	0	0	0	0	39,500	36,735	36,653	41,250	41,793	41,793	40,545	41,036	236,476	54%
203,457	213,153	222,835	258,907	281,131	301,205	314,277	323,357	345,992	370,211	431,197	430,230	430,230	430,230	367,700	372,150	4,493,882	51%
89,256	93,510	97,757	91,464	95,455	98,610	99,079	99,203	104,173	111,465	114,153	94,179	119,029	119,029	119,255	120,698	1,426,587	54%
180,429	189,028	197,613	223,434	227,427	218,543	207,432	190,885	177,523	165,096	158,320	163,980	163,980	163,980	158,062	159,975	2,621,752	22%
47,724	49,998	52,269	59,711	64,768	69,109	66,532	62,825	64,368	64,364	64,670	68,171	68,171	68,171	59,922	60,647	862,602	15%
74,960	78,532	82,099	86,330	87,925	93,663	92,749	86,681	83,415	81,599	81,159	92,354	92,354	92,354	91,290	95,233	1,205,110	36%
101,817	106,669	111,514	130,435	168,363	166,260	159,345	147,452	143,039	140,837	138,724	138,399	151,767	151,767	153,363	155,218	1,957,984	46%
7,091	66,963	76,026	82,413	87,377	86,154	86,154	82,601	88,383	94,570	103,685	115,543	121,785	121,785	107,247	108,545	1,119,838	36%
30,904	65,070	69,654	65,171	66,234	64,211	61,361	55,592	58,795	62,911	68,292	75,166	80,309	80,309	74,072	74,969	897,743	33%
0	93,012	97,237	90,977	92,461	94,236	97,684	98,702	105,566	112,956	129,444	145,870	145,870	145,870	138,163	139,835	1,442,179	31%
0	0	0	0	0	0	0	0	0	0	0	55,504	55,504	55,504	48,361	48,946	159,370	29%
13,802	14,460	15,116	14,144	14,375	15,436	16,688	17,502	18,727	20,038	21,479	24,950	24,950	24,950	22,232	22,501	253,899	13%
35,000	36,668	38,333	35,866	36,451	38,797	38,492	36,229	35,251	37,073	36,931	42,009	44,138	44,138	44,226	44,761	535,464	64%
85,264	89,327	93,384	106,680	108,595	115,861	120,895	126,700	133,907	143,280	149,915	165,655	165,655	165,655	149,487	153,145	1,754,605	57%
72,363	75,812	79,255	90,537	101,226	97,316	92,364	86,520	83,655	80,766	79,315	82,776	82,776	82,776	61,977	62,727	1,166,657	32%
70,103	73,444	76,780	71,836	73,007	79,236	74,564	71,331	70,543	73,361	74,030	81,720	84,987	84,987	83,927	84,943	1,058,870	39%
161,445	169,139	176,821	203,375	203,375	0	0	0	0	0	0	0	182,679	182,679	182,679	203,102	1,076,138	63%
95,690	100,250	104,804	124,631	161,373	172,929	181,084	190,368	182,821	189,386	184,522	184,482	184,482	184,482	187,388	198,815	2,244,211	68%
183,749	197,906	207,163	238,272	274,562	303,934	317,837	323,894	346,567	370,827	414,951	466,001	490,563	490,563	442,324	447,677	4,578,550	60%
73,708	77,242	80,750	91,302	108,024	116,718	122,586	126,649	125,797	134,603	158,244	178,120	178,120	178,120	197,895	200,290	1,769,758	73%
124,196	130,115	136,025	158,044	193,030	195,913	201,767	180,979	176,172	176,543	183,409	234,403	241,739	241,739	230,845	233,638	2,563,179	55%
24,441	33,623	35,549	33,261	33,803	36,176	37,696	39,475	40,968	41,209	39,014	40,448	42,293	42,293	40,408	40,897	518,364	21%
0	0	0	0	0	0	0	131,874	219,831	235,219	251,684	392,513	451,062	451,062	518,721	456,521	2,651,967	87%
0	0	0	0	0	0	0	0	0	0	0	8,979	17,957	17,957	17,957	18,674	44,893	4%
0	0	0	0	0	0	0	0	0	0	0	5,393	10,785	10,785	10,785	10,916	37,879	9%
0	0	0	0	0	0	0	0	0	0	0	6,272	12,544	12,544	12,544	12,696	44,056	0%
0	0	0	0	0	0	0	0	0	0	0	7,600	15,200	15,200	15,200	15,384	53,384	0%
0	0	0	0	0	0	0	0	0	0	0	2,934	5,868	5,868	5,868	5,939	20,609	0%
0	0	0	0	0	0	0	0	0	0	0	4,629	8,500	8,500	8,500	8,603	30,232	53%
0	0	0	0	0	0	0	0	0	0	0	1,683	3,366	3,366	3,366	3,407	11,822	0%
0	0	0	0	0	0	0	0	0	0	0	7,405	14,810	14,810	14,810	14,989	52,014	6%
2,009,541	2,256,084	2,420,903	2,663,470	2,752,739	2,845,648	3,010,144	3,082,286	3,166,759	3,274,080	3,576,825	3,958,483	4,299,082	4,171,220	4,195,211	43,559,198		52%





# 2006 UAC Tracking Sheet

Number	Title	Sponsor	Position	Status
SB 010	Provisional Ballot Amendments	Parley G. Hellewell		Enrolled
SB 011	Election Code Revisions	Parley G. Hellewell		Enrolled
SB 015	GRAMA Appeals Process and Document Request Amendments	David L. Thomas	Support	House 3rd Reading Cal
SB 017	Highway Transfer Process Amendments	Carlene M. Walker	Support	House 3rd Reading Cal
SB 020	Repeal of Utah Digital Signature Act	Lyle W. Hillyard	Support	Enrolled
SB 035 s1	Local Option Sales and Use Tax Distribution Amendments	Gregory S. Bell	Support	Introduced in House
SB 050 s1	Jail Funding Amendments	David L. Thomas	Support	Enrolled
SB 054	Revenue Flow from Speeding Violations	John W. Hickman	Oppose	Introduced in House
SB 074	Privatization of Government Functions Task Force	Howard A. Stephenson		Introduced in House
SB 099	County Recorder Amendments	David L. Thomas	Support	Enrolled
SB 100	County Officer Amendments	David L. Thomas	Support	Enrolled
SB 101	County Assistance to Nonprofit Entities	David L. Thomas	Support	Enrolled
SB 105	County Officer Revisions	Carlene M. Walker		Dropped
SB 113 s1	Governmental Immunity Limits	Howard A. Stephenson	Oppose	Introduced in House
SB 117	Eminent Domain Amendments	Howard A. Stephenson		House 3rd Reading Cal
SB 119	Repeal of Off-highway Vehicle Registration Number	Thomas V. Hatch		House 3rd Reading Cal
SB 129 s1	Motor Vehicle Registration Amendments	Sheldon L. Killpack	Oppose	Senate 2nd Reading Cal
SB 133	Liability Protections for Charity Care	Peter C. Knudson		Introduced
SB 149	Providing for Indigent Defense	Gregory S. Bell	Support	House 3rd Reading Cal
SB 150 s1	Resitution Amendments	Gregory S. Bell	Support	House 3rd Reading Cal
SB 151	Property Tax - Notice and Hearing Amendments	Gregory S. Bell	Support	Defeated
SB 155 s1	Amendments to County and Municipal Land Use Provisions	Gregory S. Bell		Introduced in House
SB 166	Moratorium on Issuing Sales Tax Revenue Bonds by Local Governments	Gregory S. Bell		Introduced
SB 170	Local Government Land Use and Impact Fee Revisions	Lyle W. Hillyard		Introduced
SB 175 s1	Correctional Facility Bidding Process	L. Alma Mansell	Oppose	Introduced
SB 192	Exemptions to Residential Property Tax	Howard A. Stephenson		Senate 3rd Reading Cal
SB 196	Revisions to Redevelopment Agency Provisions	Ed Mayne	Oppose	Senate 2nd Reading Cal
SB 198	Property Tax - Intangible Property	Curtis S. Bramble	Support	Senate 2nd Reading Cal
SB 200	Voter Registration - Proof of Citizenship	Curtis S. Bramble	Oppose	Senate 2nd Reading Cal
SB 202	Use of Oil and Gas Tax Revenues	Mark Madsen		Senate 2nd Reading Cal
SB 221	Levies for the Assessment and Collection of Property Taxes	Lyle W. Hillyard	Support	Introduced
SB 246	Municipal Personnel Procedures Amendments	Howard A. Stephenson	Support	Introduced in House
SB 267 s1	Changes to Local Government Provisions	Tom Hatch	Support	Senate 2nd Reading Cal
SB 268 s1	Property Rights Ombudsman	L. Alma Mansell	Oppose	Senate 2nd Reading Cal

# 2006 UAC Tracking Sheet

Number	Title	Sponsor	Position	Status
HB 009	Workers' Compensation Coverage of Firefighters and Drug Task Force Officers	Joseph G. Murray	Oppose	Introduced
HB 012	Amendments to Government Records Access and Management Act	Douglas C. Aagard	Support	Introduced in Senate
HB 013	Common Polling Places Amendments	Douglas C. Aagard	Support	Enrolled
HB 014 s2	Open Meetings Law Amendments	Wayne Harper	Oppose	Enrolled
HB 015	Early Voting	Douglas C. Aagard	Support	Senate 3rd Reading Cal
HB 016	Revisions to Open and Public Meetings Law	Glenn A. Domietson	Oppose	Enrolled
HB 028 s1	Access and Fee Amendments to Government Records Access and Management Act	Douglas C. Aagard	Oppose	Introduced in Senate
HB 029	Township Amendments	LaVar Christensen	Enrolled	Enrolled
HB 040	Expenditures for Tourism, Recreation, Cultural, and Convention Facilities and Activities	J. Stuart Adams	Support	Senate 2nd Reading Cal
HB 055 s1	Property Tax - Circuit Breaker Qualifying Limits	Wayne Harper	Support	Senate 3rd Reading Cal
HB 057 s1	County Officers Amendments	Ronda Rudd Menlove	Support	Enrolled
HB 067	Military and Overseas Citizens Absentee Voter Amendments	Stephen H. Urquhart	Enrolled	Enrolled
HB 070	Statute of Limitations on Bodily Injury	Curtis Oda	Support	Enrolled
HB 086	Property Tax - Refunding Tax Prepayments	Fred R. Hunsaker	Support	Senate 3rd Reading Cal
HB 088	Grand Jury Amendments	Curtis Oda	Support	Returned to Rules
HB 097 s1	Community Impact Amendments	Gordon E. Snow	Oppose	Introduced in Senate
HB 109	Sales and Use Tax - Food and Food Ingredients and Tax Rates	Merlyn T. Newbold	Neutral	Introduced in Senate
HB 113 s1	Auditing of Leases Related to Revenue Bonds	Neil A. Hansen	Neutral	Tabled
HB 117	GRAMA Records Committee Appeal	Carol Spackman Moss	Oppose	Introduced in Senate
HB 120	Election and Referendum Procedures	David L. Hogue	Oppose	Failed
HB 123	Disaster Response and Recovery Act	J. Stuart Adams	Support	Senate 2nd Reading Cal
HB 126	County Option Sales and Use Tax for Agricultural Land and Open Land	Craig W. Butlers	Support	House 3rd Reading Cal
HB 135	Performance Audits of Local Governments	Peggy Wallace	Oppose	Held in Committee
HB 146	Public Safety Retirement for Dispatchers	Bud Bowman	Support	House 3rd Reading Cal
HB 147	Revisions to Distribution of Sales and Use Tax Revenue	Scott L. Wyatt	Support	House 3rd Reading Cal
HB 149	Law Enforcement Drug Task Force Funding	Eric K. Hutchings	Support	House 3rd Reading Cal
HB 153	County Jail Work Release Process Amendments	Scott L. Wyatt	Support	House 3rd Reading Cal
HB 158 s1	Sex Offender Amendments	Brad Dee	Support	House 3rd Reading Cal
HB 162	Transportation Funding Amendments	John Dougall	Oppose	House 3rd Reading Cal
HB 193	Sales and Use Tax Funding for Health Care	John G. Mathis	Support	House 3rd Reading Cal
HB 206	Local Governments Form of Government	Peggy Wallace	Oppose	House 3rd Reading Cal
HB 212	DNA Database Amendments	J. Stuart Adams	Support	Introduced
HB 223	Trespass Law Amendments	Kerry W. Gibson	Support	House 3rd Reading Cal
HB 235	Public Safety Vehicles - Marking Lights	Joseph G. Murray	Support	Enrolled
HB 238	Authorizing Temporary Road Closures	Mike Noel	Support	Senate 2nd Reading Cal
HB 241	Industrial Protection Act	Ronda Rudd Menlove	Support	Introduced in Senate
HB 250	Local Governments Restrictions on Limiting Certain Fees	Gregory H. Hughes	Support	Senate 2nd Reading Cal
HB 251	Development Grants for Libraries	Mike Noel	Support	Introduced in Senate
HB 256	Requirement of Property Tax Increase Advertisement	Gregory H. Hughes	Support	Senate 2nd Reading Cal
HB 264	Acceptance of R.S. 2477 Rights-of-way Amendments	Mike Noel	Support	Senate 2nd Reading Cal
HB 274 s1	Removal of County or Prosecution District Officer Amendments	Scott L. Wyatt	Support	Senate 2nd Reading Cal
HB 275	Eminent Domain Requirements	David Lire	Support	Introduced
HB 292	Use of Eminent Domain	Aaron Tilton	Support	Introduced
HB 338 s1	Property Tax Exemption for Business Personal Property	John Dougall	Support	House 3rd Reading Cal
HB 347	Election Day Voter Registration	Neil A. Hansen	Support	House 3rd Reading Cal
HB 348	Election Code - Electronic Voting Procedures and Requirements	Douglas C. Aagard	Support	Introduced in Senate
HB 353	Sales and Use Tax Amendments	Wayne Harper	Support	House 3rd Reading Cal
HB 354	Tax Amendments	John Dougall	Support	House 3rd Reading Cal
HB 355	Off-highway Vehicle Amendments	Brad Dee	Support	House 3rd Reading Cal
HB 371	Transient Room Taxes Amendments	David Clark	Support	House 3rd Reading Cal
HB 402	Sentencing Amendments	Stephen H. Urquhart	Support	Introduced
HB 429	Methamphetamine - Restriction on Components	Michael T. Morley	Support	House 3rd Reading Cal
HB 448 s1	Standardizing Documents Filed with the County Recorder	Craig A. Frank	Support	House 3rd Reading Cal
HJR 01 s1	Resolution Regarding Property Tax on Personal Property	John Dougall	Support	House 3rd Reading Cal
HJR 05	Resolution Providing Property Tax Exemption for Veterans	Mark A. Wheatley	Oppose	Held in Committee
HJR 06	Resolution Limiting Property Tax on Primary Residence	David L. Hogue	Oppose	Introduced
HJR 29	Resolution Restricting Use of Eminent Domain	John Dougall	Oppose	Introduced



Utah Counties Insurance Pool  
*Serving Counties Since 1992*

## FINANCIAL STATEMENTS

Month Ending December 31, 2005

To the Board of Trustees:

I have compiled the accompanying, in-house prepared, unaudited account balances arising from cash transactions of the Utah Counties Insurance Pool as of 12/31/05 and accompanying notes to basic financial statements.

Sonya White  
Manager of Administration  
801-293-3098  
[sonya@ucip.utah.gov](mailto:sonya@ucip.utah.gov)

Reviewed this 13 day of February, 2006

By: Lester Nifon

CASH BASIS

UTAH COUNTIES INSURANCE POOL

Balance Sheet

December 31, 2005 and 2004

	2005	2004
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Cash &amp; Cash Equivalents</b>		
PTIF	401,989.36	1,098,613.14
UBS Securities	25,544.39	0.00
Expense	528,142.82	26,997.86
Claims	62,582.33	23,623.66
HRA	4,660.91	4,216.29
WF Restricted	2,462.38	14,010.27
WF Securities	352,204.49	433,111.20
WC Expense	81,433.80	35,767.96
WC Claims	2,747.98	7,431.25
<b>Total Cash</b>	<b>1,461,768.46</b>	<b>1,643,771.63</b>
<b>Receivables</b>		
Accounts Receivable	266.10	3,209.98
<b>Total Receivables</b>	<b>266.10</b>	<b>3,209.98</b>
<b>Investments</b>		
Restricted	1,114,057.87	1,113,443.47
Restricted CRL Capital	284,654.00	201,707.00
Unrestricted/Short-Term	7,859,638.79	6,694,586.14
<b>Total Investments</b>	<b>9,258,350.66</b>	<b>8,009,736.61</b>
<b>Fixed Assets</b>		
Capital	121,809.08	97,018.57
Depreciation	54,633.00	-15,188.00
<b>Total Fixed</b>	<b>176,442.08</b>	<b>81,830.57</b>
<b>Total Assets</b>	<b>10,896,827.30</b>	<b>9,738,548.79</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
IBNR Reserves	2,311,236.00	1,545,637.00
Loss Reserves	755,957.66	1,934,174.00
Payroll Liabilities	10,202.66	18,458.07
Sick Leave Payable	16,634.63	18,733.00
Vacation Payable	7,875.15	4,228.00
<b>Total Current</b>	<b>3,101,906.10</b>	<b>3,521,230.07</b>
<b>Equity</b>		
Restricted Building	114,470.00	91,576.00
Restricted Automobile	15,094.00	48,420.00
Unrestricted	7,665,357.20	6,077,322.72
<b>Total Long Term</b>	<b>7,794,921.20</b>	<b>6,217,318.72</b>
<b>Total Liabilities</b>	<b>10,896,827.30</b>	<b>9,738,548.79</b>



# CASH BASIS

## UTAH COUNTIES INSURANCE POOL Multiline Budget to Actual Comparison For the Month Ending December 31, 2005

	Budget	Y-T-D Actual	\$ Over Budget	% of Budget
<b>Revenue</b>				
Premiums Written	4,176,336.00	4,176,461.00	125.00	100.00%
Risk Management Program Credit	-156,550.00	-156,549.00	1.00	100.00%
Investment Income	300,000.00	426,773.47	126,773.47	142.26%
<b>Total Revenue</b>	<b>4,319,786.00</b>	<b>4,446,685.47</b>	<b>126,899.47</b>	<b>102.94%</b>
<b>Losses and Loss Expenses</b>				
Losses	2,397,344.00	1,145,309.63	-1,252,034.37	47.77%
Reinsurance	1,036,971.00	1,037,091.91	120.91	100.01%
<b>Total Loss Expenses</b>	<b>3,434,315.00</b>	<b>2,182,401.54</b>	<b>-1,251,913.46</b>	<b>63.55%</b>
<b>Administration Expenses</b>				
Accounting	6,700.00	352.70	-6,347.30	5.26%
Actuarial Analysis	4,000.00	6,000.00	2,000.00	150.00%
Capitalization Costs - CRL	55,660.00	55,660.00	0.00	100.00%
<b>Total Administration</b>	<b>66,360.00</b>	<b>62,012.70</b>	<b>-4,347.30</b>	<b>93.45%</b>
<b>Total Losses and Expenses</b>	<b>3,500,675.00</b>	<b>2,244,414.24</b>	<b>-1,256,260.76</b>	<b>64.11%</b>
<b>Transfer to Administration Budget</b>	<b>819,111.00</b>	<b>819,111.00</b>	<b>0.00</b>	<b>100.00%</b>
<b>Equity / Reserves</b>				
Automobile	15,094.00			
Building Debt Service	86,300.00			
Building Repairs & Replacement	28,170.00			
Capital (CRL)	205,245.00			
<b>Total Designated Reserves</b>	<b>334,809.00</b>			

**Note:**  
This year is 100.00% complete

# CASH BASIS

## UTAH COUNTIES INSURANCE POOL Workers' Compensation Budget to Actual Comparison For the Month Ending December 31, 2005

	Budget	Y-T-D Actual	\$ Over Budget	% of Budget
<b>Revenue</b>				
Premiums Written	1,627,209.00	1,651,414.00	24,205.00	101.49%
Investment Income	12,000.00	12,000.00	0.00	100.00%
<b>Total Revenue</b>	<b>1,639,209.00</b>	<b>1,663,414.00</b>	<b>24,205.00</b>	<b>101.48%</b>
<b>Losses and Loss Expenses</b>				
Losses	975,511.00	322,548.32	-652,962.68	33.07%
Reinsurance	269,022.00	269,022.00	0.00	100.00%
Third Party Administrator	150,000.00	160,152.49	10,152.49	106.77%
<b>Total Loss Expenses</b>	<b>1,394,533.00</b>	<b>751,722.81</b>	<b>-642,810.19</b>	<b>53.91%</b>
<b>Administration Expenses</b>				
Accounting	8,000.00	210.20	-7,789.80	2.63%
Actuarial Analysis	4,000.00	6,000.00	2,000.00	150.00%
Capitalization Costs - CRL	27,287.00	27,287.00	0.00	100.00%
Self-Insurer's Bond	37,500.00	37,500.00	0.00	100.00%
Self-Insurer's Tax	0.00	0.00	0.00	0.00%
<b>Total Administration</b>	<b>76,787.00</b>	<b>70,997.20</b>	<b>-5,789.80</b>	<b>92.46%</b>
<b>Total Losses and Expenses</b>	<b>1,471,320.00</b>	<b>822,720.01</b>	<b>-648,599.99</b>	<b>55.92%</b>
<b>Transfer to Administration Budget</b>	<b>167,889.00</b>	<b>167,889.00</b>	<b>0.00</b>	<b>100.00%</b>
<b>Equity / Reserves</b>				
Capital (CRL)	79,409.00			
<b>Total Equity</b>	<b>79,409.00</b>			

**Note:**  
This year is 100.00% complete

# CASH BASIS

## UTAH COUNTIES INSURANCE POOL Administration Budget to Actual Comparison For the Month Ending December 31, 2005

	Budget	Y-T-D Actual	\$ Over Budget	% of Budget
<b>Transfers</b>				
Multiline	819,111.00	819,111.00	0.00	100.00%
Workers' Compensation	167,889.00	167,889.00	0.00	100.00%
<b>Total Transfers</b>	<b>987,000.00</b>	<b>987,000.00</b>	<b>0.00</b>	<b>100.00%</b>
<b>Administration Expenses</b>				
Automobile Expense	9,500.00	10,950.07	1,450.07	115.26%
Automobile Reserve	25,000.00	8,406.00	-16,594.00	33.62%
Bank Charges	300.00	1.00	-299.00	0.33%
Board Expense	40,000.00	41,248.28	1,248.28	103.12%
Building Maintenance & Repairs	25,000.00	17,086.24	-7,913.76	68.35%
Consulting Fee	60,000.00	159,000.00	99,000.00	265.00%
Copying Costs	1,200.00	1,610.91	410.91	134.24%
Dues / Subscriptions	4,500.00	4,626.81	126.81	102.82%
Exhibiting & Sponsorship	17,500.00	10,031.19	-7,468.81	57.32%
Fees & Licensing	1,200.00	650.00	-550.00	54.17%
Incentives	7,000.00	5,654.06	-1,345.94	80.77%
Information Technology	25,000.00	16,864.12	-8,135.88	67.46%
Land Use Hotline	25,000.00	1,787.97	-23,212.03	7.15%
Lease Purchase	70,000.00	69,730.81	-269.19	99.62%
Lobbying & Legislative Tracking	10,000.00	10,000.00	0.00	100.00%
Loss Control / Training	40,000.00	38,274.10	-1,725.90	95.69%
Office Equipment	7,000.00	1,028.64	-5,971.36	14.70%
Office Insurance	5,116.00	5,492.00	376.00	107.35%
Office Supplies	7,500.00	7,877.02	377.02	105.03%
Postage	3,000.00	3,167.92	167.92	105.60%
Printing	5,000.00	1,436.00	-3,564.00	28.72%
Professional Fees	22,661.00	29,358.00	6,697.00	129.55%
Staff Expenses	35,000.00	36,510.56	1,510.56	104.32%
Staff Medical Insurance	70,497.00	77,735.14	7,238.14	110.27%
Staff Payroll Expenses	26,911.00	32,338.81	5,427.81	120.17%
Staff Retirement	69,630.00	88,945.38	19,315.38	127.74%
Staff Salaries	367,485.00	368,433.91	948.91	100.26%
Telephone	6,000.00	5,824.54	-175.46	97.08%
<b>Total Administration</b>	<b>987,000.00</b>	<b>1,054,069.48</b>	<b>67,069.48</b>	<b>106.80%</b>

Note:  
This year is 100.00% complete

## **UTAH COUNTIES INSURANCE POOL**

### **Notes to Basic Financial Statements**

#### **Reserves for Losses and Loss Adjustment Expenses**

The reserves for losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount based on past experience for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes that amounts are adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

#### **Investments**

Investments are comprised of various U.S. Government securities. Investments in U.S. Government securities for December 31, 2005 and 2004 consisted of held-to-maturity securities.

Held-to-maturity securities are reported at cost, adjusted for amortization of premiums and accretion of discounts that are recognized in interest income using the effective interest method over the period to maturity.

The investment in County Reinsurance, Limited (CRL) is valued using the equity method of accounting. Under the equity method, the Pool recognizes its share in the net earnings or losses of the company as they occur rather than as dividends are received.

#### **Restricted Investments**

The investment that is restricted for Workers' Compensation is a bond that is pledged for the Workers' Compensation self-insurers' bond that the Pool was required to post with the Labor Commission to receive their self-insurers' permit.

The investment that is restricted for CRL is equity in CRL that the Pool may not access until it has been a member of CRL for at least five years. The Pool's membership in CRL began January 1, 2004. The equity is capital that CRL is required to maintain under Vermont law.

#### **Capital Assets**

Capital assets are defined by the Pool as assets with an initial individual cost of more than \$500. Capital assets are stated at cost less accumulated depreciation. Depreciation on furniture, equipment and electronic data processing equipment is provided over the estimated useful lives of the assets on the straight-line method. Useful lives vary from three to five years.

Maintenance and repairs, which do not materially extend the useful lives and minor replacements, are expensed as incurred.

#### **Compensated Absences**

Accumulated unpaid vacation and sick pay amounts are accrued when benefits vest to employees and the unpaid liability is reflected as compensated absences payable. The amounts accrued as of December 31, 2005 and 2004 was **\$24,509.78** and \$22,961.00, respectively.

### **Investments in Utah Public Treasurers' Investment Fund (PTIF)**

The Public Treasurers' Investment Fund (PTIF) is a pooled investment fund enabling public agencies to benefit from the higher yields offered on large denomination securities. The PTIF is similar in nature to a money market fund, but is subject to the Money Management Act and Rules of the Money Management Council. The PTIF invests in corporate debt, U.S. Agency notes, certificates of deposit and commercial paper. The maximum final maturity of any security invested in by the PTIF is limited to five years. The maximum weighted average life of the portfolio is limited to 90 days. There is no maturity date on an insurer's investment in the PTIF. PTIF deposits are not insured or otherwise guaranteed by the State of Utah. Participants in the PTIF pay an administrative charge on an annual basis based on the average account balance. The PTIF is operated as a service to local governments and does not generate a profit to the Utah State Treasurer. The investment in PTIF totaled **\$401,989.36** and \$1,098,613.14 as of December 31, 2005 and 2004, respectively.

### **Reinsurance**

The Pool has purchased specific and aggregate reinsurance coverage. The agreements provide for liability insurance in excess of a \$250,000 self-insured retention and property and crime insurance in excess of a \$250,000 self-insured retention up to an aggregate loss limit. The Pool has purchased reinsurance to protect against losses above these limits.

Effective 2003, the Pool has purchased only specific reinsurance coverage. The agreement provides for liability insurance in excess of a \$250,000 self-insured retention and property and crime insurance in excess of a \$250,000 self-insured retention.

Estimated claims loss liabilities are stated net of estimated losses applicable to reinsurance ceded to other insurance companies. However, the Pool is contingently liable for those amounts in the event such companies are unable to pay their portion of the claims.

### **Unsecured Reinsurance Recoverables**

The Company does not have an unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with and individual reinsurers, authorized or unauthorized, that exceeds 3% of the Pool's policyholder surplus.

### **Reinsurance Recoverable in Dispute**

The Company does not have any disputed balances or uncollectible funds.

### **Statutory Limits – Workers' Compensation**

Effective 2004, the Pool reinsures Workers' Compensation to statutory limits about the \$300,000 self-insured retention. County Reinsurance, Limited (CRL) provides a layer of coverage \$1,700,000 excess of \$300,000 self-insured retention. Safety National reinsures to statutory limits above the \$2,000,000 provided by CRL.

### **Contingencies**

The Pool is subject to litigation from the settlement of claims contested in the normal course of business. The losses from the actual settlement of such unknown claims are taken into consideration in the computation of the estimated unpaid loss and loss adjustment expense liabilities.



## **Investments**

The carrying amounts of investments and their fair values at December 31, 2005 and 2004 were as follows:

	2005			
	Cost/ Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Government Bonds	\$ 6,136,657	\$ 42,495	\$ (144,641)	\$ 6,034,510
Restricted Government Bonds	\$ 1,114,058	\$ -	\$ (13,664)	\$ 1,100,394
Restricted Equity Investment	\$ 284,654	\$ -	\$ -	\$ 284,654
<b>Total Investments</b>	<b>\$ 7,535,368</b>	<b>\$ 42,495</b>	<b>\$ (158,306)</b>	<b>\$ 7,419,558</b>

	2004			
	Cost/ Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Government Bonds	\$ 6,694,586	\$ 6,933	\$ (70,498)	\$ 6,631,021
Restricted Government Bonds	\$ 1,113,443	\$ -	\$ (10,263)	\$ 1,103,180
Restricted Equity Investment	\$ 201,707	\$ -	\$ -	\$ 201,707
<b>Total Investment</b>	<b>\$ 8,009,737</b>	<b>\$ 6,933</b>	<b>\$ (80,761)</b>	<b>\$ 7,935,908</b>

## **AGENDA ITEM SUMMARY**

### ***Item Description***

Consider reappointment of Law Enforcement Committee Chair

### ***Background, Discussion***

Trustees (i)-(k) are the Chairs of the Law Enforcement, Litigation Management, and Personnel Committees, respectively. The full Board appoints these Trustees for two-year terms.

Article 5.1 of the Bylaws states that Trustees serving pursuant to subsections (i)-(k) may be reappointed to subsequent terms by the Board.

The term of the Trustee serving pursuant to (i) ends in odd-numbered years; thus, the Board will consider reappointment of the Law Enforcement Committee Chair.

### ***Recommendation***

For Board action



## JOINT POLICY RECORDS RETENTION

---

The following establishes categories of records and a records retention policy for UCIP staff to follow in the efficient management of UCIP records. The destruction of any records must be approved in advance by the UCIP Board of Trustees and the Division of State Archives.

**Series 26024 – Multiline Claims Records:** All records associated with claims made against members and referred to UCIP. All closed claims with no recorded activity after ~~7~~ 20 years may be destroyed.

**Series 26025 – Workers' Compensation Claims Records:** Medical only claims with no recorded activity after 5 years may be destroyed. Indemnity claims are to be kept until 3 years after the death of the claimant and then destroyed.

**Series 26026 – Coverage Documents or Insurance Policies:** ~~All coverage agreements and/or insurance policies of an occurrence basis will be maintained in perpetuity.~~ Claims-made coverage documents and/or insurance policies will be maintained for ~~40~~ 15 years following the expiration of any tail coverage or an extended reporting period and then destroyed.

**Series 26121 – Coverage Documents or Insurance Policies:** All coverage agreements and/or insurance policies of an occurrence basis will be maintained in perpetuity.

**Series 26027 – Underwriting Records, UCIP Coverages:** These records are to be maintained for 5 years following the close of an underwriting period and then destroyed.

**Series 26028 – Underwriting Records, Agency Placements for Members:** These records are to be maintained for 5 years following the expiration date of the policy and then destroyed.

**Series 26029 – Loss Prevention Records:** All loss prevention records will be maintained for ~~5~~ 12 years and then destroyed. This will include records of inspections, training, recommendations to members, and activities related to incentive programs.

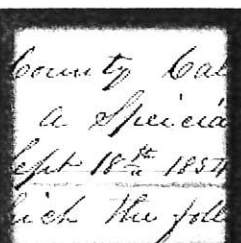
**Series 26105 – Board of Trustee Minutes:** These records are minutes of regular and special meeting of the UCIP Board of Trustees. They are used to document the actions and decisions of the Board pursuant to their official duties. All related materials are attached to these minutes. Minutes and supporting materials will be maintained permanently and may be transferred to the State Archives.

**Series 26122 – Personnel Records:** UCIP will maintain records of all personnel for ~~7~~ 65 years or 3 years after retirement or death, whichever is shorter, then destroyed. ~~years following the date of the employee's termination.~~

**Series 26123 – Audit Records and UCIP Financial Records:** All financial records will be maintained for 7 years permanently and may be transferred to the State Archives.

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Retain 20 years.

**DISPOSITION**

Destroy.

**FORMAT MANAGEMENT**

Paper: Retain in Office for 7 years after last recorded activity and then transfer to State Records Center. Retain in State Records Center for 13 years and then destroy.

Computer data files: Retain in Office until administrative need ends and then erase.

**APPRAISAL**

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**AGENCY:** Utah Counties Insurance Pool**SERIES:** 26025**TITLE:** Worker's compensation claims records**DATES:** 2004-**ARRANGEMENT:** Alphabetical by county, thereunder chronological by year, thereunder alphabetical by surname.**ANNUAL ACCUMULATION:** 2.00 cubic feet.**DESCRIPTION:** These insurance records are associated with medical or indemnity claims submitted by counties for employees who were injured on the job.**RETENTION**

Retain 5 years

**DISPOSITION**

Destroy.

**FORMAT MANAGEMENT**

Paper: Retain in Office for 5 years after last activity on the claim and then destroy.

**APPRAISAL**

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**AGENCY:** Utah Counties Insurance Pool**SERIES:** 26026**TITLE:** Claims-made insurance policies**DATES:** 1992-**ARRANGEMENT:** Alphabetically by county thereunder chronologically by date**ANNUAL ACCUMULATION:** 1.00 cubic foot.

**DESCRIPTION:** These files contain copies of claims-made coverage agreements and insurance policies. These policies designate what is covered and what is excluded. A claims-made policy requires that the claim be presented to the insurance company during the policy period.

**RETENTION**

Retain 15 years

**DISPOSITION**

Destroy.

**FORMAT MANAGEMENT**

Paper: Retain in Office for 15 years after expiration of any tail coverage and then destroy.

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County of Salt Lake  
a Special  
Sept 18<sup>th</sup> 1857  
Rich. H. H. H.

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**AGENCY:** Utah Counties Insurance Pool**SERIES:** 26121**TITLE:** Occurrence-based insurance policies**DATES:** 1992-**ARRANGEMENT:** Alphabetically by county thereunder  
chronologically by date**ANNUAL ACCUMULATION:** 1.00 cubic foot.

**DESCRIPTION:** These files contain copies of occurrence-based insurance coverage agreements and reinsurance obligations to pay claims. These insurance policies designate what is covered and what is excluded. Occurrence-based policies do not restrict the time frame in which claims can be made.

**RETENTION**

Retain permanently

**DISPOSITION**

Retain in agency custody.

**FORMAT MANAGEMENT**

Paper: Retain in Office permanently.

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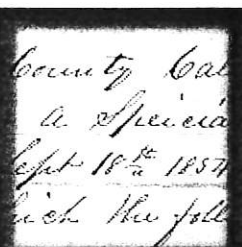
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**AGENCY:** Utah Counties Insurance Pool**SERIES:** 26027**TITLE:** Underwriting records**DATES:** 1992-**ARRANGEMENT:** Alphabetically by county and thereunder chronologically by date**ANNUAL ACCUMULATION:** 2.00 cubic feet.**DESCRIPTION:** These files contain member county exposure and financial data used to market the annual reinsurance policies.**RETENTION**

Retain 5 years

**DISPOSITION**

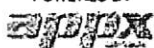
Destroy.

**FORMAT MANAGEMENT**

Paper: Retain in Office for 5 years after close of underwriting period and then destroy.

**APPRAISAL**

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**AGENCY:** Utah Counties Insurance Pool**SERIES:** 26028**TITLE:** Underwriting agency placement records**DATES:** 1992-**ARRANGEMENT:** Alphabetically by county thereunder chronological by date**ANNUAL ACCUMULATION:** 0.10 cubic feet.**DESCRIPTION:** These files pertain to property liability for events not covered under coverage agreements or reinsurance policies. Some examples are airport and aircraft liability, and third party events in county facilities.**RETENTION**

Retain 5 years

**DISPOSITION**

Destroy.

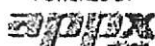
**FORMAT MANAGEMENT**

Paper: Retain in Office for 5 years after expiration of policy and then destroy.

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**AGENCY:** Utah Counties Insurance Pool**SERIES:** 26029**TITLE:** Loss prevention records**DATES:** 1995-**ARRANGEMENT:** Alphabetically by county thereunder chronologically by year.**ANNUAL ACCUMULATION:** 3.00 cubic feet.

**DESCRIPTION:** Loss prevention is a program which allows counties to qualify for premium reduction credits. Records in the loss prevention files may include inspections, information about training, recommendations to members, and information about any other activities related to incentive programs.

**RETENTION**

Retain 12 years

**DISPOSITION**

Destroy.

**FORMAT MANAGEMENT**

Paper: Retain in Office for 12 years and then destroy.

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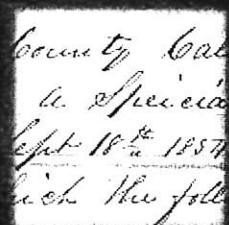


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[What's New](#)[About Us](#)[Agency Services](#)[Research Center](#)[Catalog](#)[Records Law](#)[Site Index](#)[DAS Home](#)**AGENCY:** Utah Counties Insurance Pool**SERIES:** 26105**TITLE:** Board of trustee minutes**DATES:** 1992-**ARRANGEMENT:** Chronologically by date**ANNUAL ACCUMULATION:** 0.10 cubic feet.

**DESCRIPTION:** The Utah Counties Insurance Pool was created in 1992 to provide political subdivisions and public agencies with insurance coverage and risk management services. The board of trustees minutes of regular and special meetings document the actions and decisions of the board pursuant to their official responsibilities. Related documents are attached to the minutes.

**RETENTION**

Retain permanently

**DISPOSITION**

Retain in agency custody.

**FORMAT MANAGEMENT**

Paper: Retain in Office permanently.

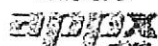
**APPRAISAL**

Administrative Historical

**PRIMARY CLASSIFICATION**

Public

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**AGENCY:** Utah Counties Insurance Pool**SERIES:** 26122**TITLE:** Personnel files**DATES:** 1992-**ARRANGEMENT:** Alphabetically by surname

**DESCRIPTION:** Complete work history of an individual (excluding medical/psychological information) while employed by the State. Refer to UCA 67-18-1 (2005), et seq. and DHRM rules on accessing, maintaining, and managing employee personnel files. The employee's personnel file shall be considered a supplement to the DHRM computerized file and shall be subject to the rules governing personnel files. When an employee transfers to another state agency, the employee's personnel file must be sent to the new agency. The file typically includes applications for employment, career mobility documents, Memorandums of Understanding (MOU's), Employment Eligibility Certification records, Form 1-9 and other documents required by the U.S. Citizenship and Immigration Services; employee signed overtime agreements, personnel actions, corrective action plans, notices of disciplinary action, new employee orientation form checklists, performance plans and evaluations, letters of appreciation/commendation, separation and leave without pay records, employee benefits notification forms for PEHP and URS; references, copies of transcripts, training certifications or preparations, copies of items recorded in the DHRM computerized file, leave and time records; copies of any documents affecting the employee's conduct, status or salary, etc.

**RETENTION**

Retain 65 years

**DISPOSITION**

Destroy.

**FORMAT MANAGEMENT**

Paper: Retain in Office for 65 years or until 3 years after death or retirement and then destroy.

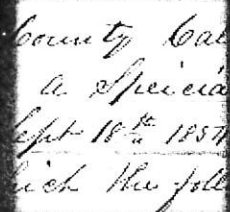
**APPRAISAL**

This disposition is based on Utah County General Records Retention Schedule, Schedule 8, Item 20.

**PRIMARY CLASSIFICATION**

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**DESCRIPTION:** Audit records include all financial and claims audits performed by outside auditors. Financial statements include all outside and in-house monthly financial statements of the financial affairs of the Utah Counties Insurance Pool and an accounting of all income and expenditures in relationship to adopted budgets.

**RETENTION**

Retain permanently

**DISPOSITION**

Retain in agency custody.

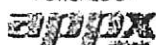
**FORMAT MANAGEMENT**

Paper: Retain in Office permanently.

**APPRAISAL**

Administrative Fiscal Historical

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# CONFERENCE TRAVEL EXPENSE COMPARISON

<b>RIMS</b>	<b>AGRIP-TAMPA</b>
<b>Airfare - \$575</b>	<b>Airfare - \$360</b>
<b>Hotel - \$145-195</b>	<b>Hotel - \$195</b>
<b>Registration - \$795</b>	<b>Registration - \$495</b>



Utah Counties Insurance Pool  
*Serving Counties Since 1992*

## **JOINT POLICY BOARD TRAVEL EXPENSES**

---

Article 5, Section 11, of the UCIP Bylaws states: "To the extent permitted by law, Trustees may be reimbursed for expenses incurred in the performance of their duties, as authorized by the Board."

### **BOARD TRAVEL EXPENSES**

Members of the UCIP Board of Trustees (Board) will be reimbursed for reasonable and approved expenses incurred in attending Board meetings and in otherwise carrying out their responsibilities. UCIP will reimburse Trustees for travel by private vehicle at the rate currently allowed by the Internal Revenue Service, as well as for lodging and meals at actual cost, within the guidelines for travel and expense reimbursement adopted by the State of Utah Department of Finance.

Trustees who miss more than one-third of a meeting or retreat must be excused by the Board of Trustees in order to be reimbursed for expenses.

Trustees may attend up to two of the ~~three~~ four following annual out-of-state trainings: the AGRIP Spring Conference, Risk and Insurance Management Society Annual Conference, PRIMA National Conference, and the AGRIP Fall Governance Conference. UCIP will directly pay registration, airfare and hotel expenses for Trustees arranging travel through the UCIP office. Receipts for meals, lodging, parking, airfare, and other reimbursable expenses are required. A written statement by the Trustee will be required in place of a lost receipt. The Board may also by resolution designate other training as appropriate and reimbursable for Trustees.

Expenses for spouses who accompany Trustees to UCIP meetings or to approved out-of-state training are the responsibility of the Trustee. UCIP will invoice Trustees for any spouse expenses paid by UCIP. However, there will be no charge for spouses attending the UCIP Annual Membership meeting functions and at business meals hosted by the Chief Executive Officer.

### **TIMELINESS**

Requests for reimbursement shall be submitted within 60 days of completion of trip.



**RESOLUTION 2006-1**

**UTAH COUNTIES INSURANCE POOL BOARD OF TRUSTEES**

**FEBRUARY 16, 2006**

**WHEREAS**, the UCIP Board of Trustees has a Board Travel Expenses Policy authorizing Trustees' travel to risk-related training; and

**WHEREAS**, the Board Travel Expenses Policy provides that training not authorized by the policy may be authorized by the Board of Trustees by way of a Resolution; and

**WHEREAS**, the Risk and Insurance Management Society is conducting its annual conference April 23-27, 2006, in Honolulu, Hawaii, with training in risk-related subjects;

**NOW, THEREFORE, BE IT RESOLVED** by the UCIP Board of Trustees that any and all Trustees are authorized to attend the RIMS Annual Conference and that expenses incurred by Trustees related to this conference be reimbursed by UCIP according to the Board Travel Expenses Policy.



### Opticare of Utah Client Agreement

This agreement is made this day between Opticare of Utah, a Utah domiciled Limited Health Plan, hereinafter referred to as **Opticare**, and (employer's name) Utah Counties Insurance Pool, hereinto referred to as **Client**, for the sole purpose of providing eyewear and vision care services to the policyholders of Opticare of Utah.

1. Both **Opticare** and **Client** agree to the plan designs attached, and reserve the right to review this schedule on an annual basis.
2. **Term.** The term of this agreement shall commence on (date mm/yy) January 1, 2006 and shall continue for one year, automatically renewing for successive one-year periods unless renegotiated or terminated within the provisions of this agreement.
3. **Payment.** **Client** agrees to remit all premiums due to Opticare of Utah within 30 days of receipt of invoice from Opticare of Utah.
4. **Service and Network.** **Client** acknowledges that **Opticare** will cover vision examinations and eyewear only through those locations that are specifically listed as authorized network providers and who hold valid licenses in the State of Utah for the practice of Optometry or Ophthalmology. **Client** acknowledges that specific eye doctors may change at any time for any reason. A current list of authorized network eye doctors will always be available by calling Opticare of Utah directly.
5. **Confidentiality Covenant.** **Opticare** acknowledges that materials and information, which **Client** deems confidential, are important to and greatly affect the **Client** in a competitive marketplace. **Opticare** agrees, for the term of this agreement, to not use any information deemed confidential by **Client**, to any parties other than the **Client**.
6. **Opticare's Use of Client's Participation.** **Client** agrees that **Opticare** may use **Client's** name, address and the fact of **Client's** participation in this agreement for purposes of publicizing **Opticare's** network, preparing bids for contracts and other similar marketing purposes.
7. **Termination of Group Vision Plans:** **Client** reserves the right to terminate this agreement, at its discretion, without cause by giving 60 days written notice to **Opticare**. **Opticare** reserves the right to terminate this agreement immediately, without notice, for, but not limited to, **Client** falling more than 30 days in arrears in premium remittance to **Opticare**.
8. **Termination of Voluntary Vision Plans:** Plans are cancelable on the annual renewal date only. **Client** reserves the right to terminate this annual agreement, at its discretion, without cause by giving written notice at least 30 days prior to the annual renewal date. **Opticare** reserves the right to terminate this agreement immediately, without notice, for, but not limited to, **Client** falling more than 30 days in arrears in premium remittance to **Opticare**.
9. **Coverage will not go into effect** and is not bound until this agreement is signed by authorized representatives of both parties.

Plans and Premiums	
Plan Offered:	
Basic <input type="checkbox"/>	Premier <input type="checkbox"/>
10-70 <input type="checkbox"/>	10-120 <input type="checkbox"/>
Monthly Premium	
Single	\$ <input type="text"/>
Two-Party	\$ <input type="text"/>
Family	\$ <input type="text"/>

Plans and Premiums	
Plan Offered:	
Basic <input type="checkbox"/>	Premier <input type="checkbox"/>
10-70 <input type="checkbox"/>	10-120 <input type="checkbox"/>
Monthly Premium	
Single	\$ <input type="text"/>
Two-Party	\$ <input type="text"/>
Family	\$ <input type="text"/>

Plans and Premiums	
Plan Offered:	
Basic <input type="checkbox"/>	Premier <input type="checkbox"/>
10-70 <input type="checkbox"/>	10-120 <input type="checkbox"/>
Monthly Premium	
Single	\$ <input type="text"/>
Two-Party	\$ <input type="text"/>
Family	\$ <input type="text"/>

Plans and Premiums	
Plan Offered:	
Basic <input type="checkbox"/>	Premier <input type="checkbox"/>
10-70 <input type="checkbox"/>	10-120 <input type="checkbox"/>
Monthly Premium	
Single	\$ <input type="text"/>
Two-Party	\$ <input type="text"/>
Family	\$ <input type="text"/>



**10. Employer Contribution and Eligible Employees.** Employer agrees to offer this product to all eligible employees. Employer agrees to contribute to the premiums outlined in this contract based on this schedule:

Type of plan selected by Client: Voluntary ☒ Employer Contribution ☒ Pool Program

Employer Contribution for Employee: \$ \_\_\_\_\_ or \_\_\_\_\_ % per month

Employer Contribution for Dependents: \$ \_\_\_\_\_ or \_\_\_\_\_ % per month

Number of Total Employees (including part-time) \_\_\_\_\_

Number of Eligible Employees \_\_\_\_\_

**11. Employee Status Changes.** Client will notify Opticare regarding all changes to personnel, hiring, termination and/or other changes in status as it affects the premiums outlined in this agreement, in a timely manner.

**12. Acknowledgement.** By signing this agreement, both parties acknowledge that they have read this agreement, that they understand it and intend to fulfill all covenants and promises made, and that they understand that this is a legally binding agreement.

**Client Information**

Client (Company) Name Utah Counties Insurance Pool

Billing Address 5397 South Vine City, State, Zip Salt Lake City, UT 84107

Authorized Representative (print) Lester Nixon

Authorized Signature Lester Nixon

Human Resource Contact Name: \_\_\_\_\_ PH \_\_\_\_\_

**Agent or Representative Information**

Agent Name (print) \_\_\_\_\_

Agency \_\_\_\_\_

Agent Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Opticare of Utah  
1901 W. Parkway Blvd.  
Salt Lake City, UT 84119  
(801) 886-2020  
(800) 363-0950  
www.opticareofutah.com

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Effective date of coverage: First day of (month): \_\_\_\_\_ Year: 20 \_\_\_\_\_

Both Client and Provider have executed this agreement this day, \_\_\_\_\_ of (month) \_\_\_\_\_, (year) 20 \_\_\_\_\_

George 1/13

**Lester Nixon**

**From:** GeorgeBurbidge@chrisjen.com  
**Sent:** Friday, January 13, 2006 8:46 AM  
**To:** Lester Nixon  
**Cc:** CraigWentz@chrisjen.com  
**Subject:** RE: FW: UCIP deal at old space

Lester:

Overall it is a rather standard lease and is generally more evenhanded than most I review. I don't know if the terms are negotiable or not. If not, unless the landlord is unreasonable, you can go ahead and sign it. At the same time, even the best lease agreement cannot protect you from a landlord who is a jerk. Stay away from them at all costs.

First, I noticed that there was some language regarding personal guarantees. **DO NOT SIGN A PERSONAL GUARANTEE.**

Second, since it is a much more evenhanded lease agreement than most I see, you might be better off signing it without modification. I am sure you understand that when there is a contract any ambiguity is construed against the party that drafted the contract. The landlord drafted this contract. If UCIP negotiates the terms of the contract so that the final version is the product of both parties than it will not be able to claim ambiguities should be construed in its favor.

If there is room for some negotiation, here are the issues I came up with in my review of the agreement that you may want to consider:

7. Operating expenses. Recognize that the base rent covers only your use of the "shell" of the building structure. Section 7 partially identifies the services that are not covered in base rent, but will be charged to UCIP (and the other tenants). The landlord has broad discretion in what services are to be provided, who will provide them and at what cost. I doubt there is room for negotiation on this issue, I just wanted to make sure you were aware of it.

13. Indemnification. This is really one of the more evenhanded indemnification provisions I have read in a lease. It provides a broad duty to for UCIP to defend, indemnify and hold harmless Landlord. This broad duty is tempered by the provision that: "Tenant shall not be liable to the extent that damage or injury is determined ultimately to be cause by the negligent or intentional tort of Landlord [or its agents]." There is no description of how the process would work and this is important. However, a detailed description of how the defense and indemnification provision would actually be implemented would probably take another couple of pages. Since the Landlord drafted the agreement, you are probably best off just leaving it like it is so that any confusion or ambiguity, if the issue arises, will be construed against the Landlord.

15. Insurance. The second paragraph under subsection (b) discusses loss-of-income insurance. This is vague, as the requirement is for a "prudent tenant" standard. I would advise that you review this lease with your insurance provider to determine if it requires any coverage beyond what you have.

16. Assignment and Subletting. Again, this provision is much more evenhanded than most I review. It provides that the landlord will not unreasonably withhold consent if the proposed assignee is "of sound financial condition as determined by the Landlord." I would feel a bit more comfortable if it read: "as *reasonably* determined by the Landlord." I also get uncomfortable with the part in his section where it states that: "A change in the control or transfer of any interest of Tenant . . . [constitutes an assignment that is subject to Landlord approval]." I understand why landlords want such a provision, but I have serious concerns in that it gives landlords broad ability to interfere with the company's internal business. It is so broad that I am not sure what constitutes "a change in the control" of a company. I think you could argue that changing membership on the board of directors changes the "control" of the company. It is my understanding that UCIP has some periodic changes in membership. Under the terms in this lease, that could require the landlord's consent or it is a breach of the lease agreement. I would like to (1) remove all the language, starting with "A change in the control or transfer of any interest . . ." or (2) temper the language so that only dramatic changes in membership or leadership require landlord consent. If there is room for negotiation on this issue I would be happy to propose new language.

1/13/2006

19 & 20. Events of default by tenant and consequences of Tenant's default. Notice that subsection (d) provides for consequential damages. This means that the landlord can claim broad damages that you probably never thought about should you default. I would prefer that this be taken out.

22. Landlord's default. Most leases do not have a provision for Landlord's default. I did note that in §19, Tenant has 10 days to cure a default, but under §22, Landlord has 15. I don't know why the Landlord requires more time. They should be the same. Note that you are specifically denied the ability to offset from rent payments expenses you incur curing or resulting from Landlord's default. I also note that you are limited in any recovery to the equity that Landlord has in the building. There is no guarantee that the landlord has or in the future will have, any equity. The tenant is on the hook for damages due to its default and there is no limits on how the Landlord can recover those damages. I don't see any good reason why the landlord should not have the same general exposure. The bottom line is the lease contains a provision describing the tenant's rights should the landlord default, but really it just limits the landlord's exposure should such a default occur.

26. Eminent domain. I have some concerns about this provision. Something like this appears in most leases. I could go on, but I will not unless you ask me to. I think the chance of the building being taken by eminent domain are small enough that it probably does not justify the legal expenses associated with fighting about this provision.

34. Notice. This says that for any dispossession proceedings (i.e., eviction) you appoint whoever is at the office at the moment the eviction notice is served as your agent. I don't like this because I have no idea who that person will be. It could be the receptionist, janitor, or anyone else who may or may not forward this notice to the appropriate person. I think that in addition to leaving the notice with someone on the premises the landlord should also be required to mail a copy of the notice to you at whatever location you designate.

37. Guarantee of lease. This provision really does not discuss guaranteeing the lease. My suspicion is that the lease agreement usually comes with a personal guarantee when the landlord thinks it is necessary. Where it is not needed, such as with UCIP, the provision is removed and a bunch of largely irrelevant words are thrown in to hold the space. DO NOT SIGN A PERSONAL GUARANTEE.

Please call or email me if you have questions or want to discuss this in more detail.

George

"Lester Nixon" <lnixon@ucip.utah.gov>

To <GeorgeBurbidge@chrisjen.com>

cc

01/11/2006 05:37 PM

Subject RE: FW: UCIP deal at old space

Yeah, I worried about the 13th. Certainly don't want to close the deal then. My concern is that it be pretty standard in terms of a commercial lease and our interests are not being abused. I have little experience in this area and I just don't want to be taken advantage of.

-----Original Message-----

**From:** GeorgeBurbidge@chrisjen.com [mailto:GeorgeBurbidge@chrisjen.com]

**Sent:** Wednesday, January 11, 2006 5:18 PM

**To:** Lester Nixon

**Subject:** RE: FW: UCIP deal at old space

/13/2006

It sounds slightly ominous, but I will do it. Is there anything in particular I should know or be looking for?

George

"Lester Nixon" <lnixon@ucip.utah.gov>

01/11/2006 05:18 PM

To <GeorgeBurbidge@chrisjen.com>

cc

Subject RE: FW: UCIP deal at old space

George,

Of course yesterday. Would Friday the 13th work for you?

-----Original Message-----

**From:** GeorgeBurbidge@chrisjen.com [mailto:GeorgeBurbidge@chrisjen.com]

**Sent:** Wednesday, January 11, 2006 2:37 PM

**To:** Lester Nixon

**Subject:** Re: FW: UCIP deal at old space

I'll review it and get back to you.

What is your timeframe?

George





## **AGENDA ITEM SUMMARY**

### ***Item Description***

Ratify actions taken by the Chief Executive Officer

### ***Background, Discussion***

Contract with OptiCare-This contract establishes the business relationship between Opticare and UCIP. Opticare is the vision care provider UCIP is using for those members in the health plan that offer this benefit.

Lease with Clinton Partners, LLC- This is the lease for the space UCIP will be occupying at 6900 South 900East. The Board authorized the CEO to execute this lease. This is a copy for your reference.

Equipment Purchase Agreement with TriTel Networks for purchase of necessary additional equipment for use in new offices.

Engagement letter with Larson for audit-The Board authorized the CEO to sign this letter. This is a copy for your reference.

Property appraisals at Tooele County Airport and Benson Grist Mill-After the problem with the loss at the Wendover Airport in 2005, CEO hired an appraiser to appraise the real property at the airport. The County Commission also asked me to appraise the buildings at the historic Benson Grist Mill. After the appraisal, the County was billed \$18,212 for the increased valuations. Cost of the appraisals was \$9,000.

Jointly with URMMA and ULGT, I have committed UCIP to pay for Jody Burnett to lobby against SB 170. Jointly with ULGT, we have hired Randy Smart to lobby against SB 113 and HB 9.

### ***Recommendation***

Staff recommends approval.



## COMMERCIAL LEASE

**THIS COMMERCIAL LEASE** (the "Lease") dated this \_\_\_\_ day of January 2006, is entered into by and between Clinton Partners, LLC, a Utah limited liability company (the "Landlord"), and Utah Counties Insurance Pool, Inc., a Utah corporation (the "Tenant").

### 1. PREMISES.

(a) Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, for the term and subject to the terms and conditions hereinafter set forth, to each and all of which Landlord and Tenant hereby mutually agree, those certain premises (the "Premises"), shown on Exhibit A ("Space Plan") attached hereto and incorporated herein, which includes approximately 2,508 Usable square feet combined to create an approximate 2,982 Rentable square feet of office space. The location of the Premises is commonly known as: 6900 South 900 East, Suite 230, Midvale, Utah 84047 (the "Building").

(b) In addition, the Premises shall include the appurtenant right to use, in common with others, the site, parking and landscaped areas. Landlord shall provide Tenant four (4) non-reserved parking stalls per 1,000 usable square feet of Premises in the adjacent parking lot of the Premises.

(c) Acceptance of Premises. Unless Landlord is otherwise notified by Tenant in writing, within thirty (30) calendar days of taking possession, by entry hereunder Tenant accepts the Premises as being in the condition in which Landlord is obligated to deliver the Premises. Tenant shall at the end of the term and any extension herein surrender to Landlord the Premises and all alterations, additions and improvements thereto in the same condition as when received; ordinary wear and tear, damage by fire, earthquake, or acts of God excepted. Landlord has no liability and has made no representation to alter, improve, repair, or paint the Premises or any part thereof, except as specified in Article 2(b), 2(c) & 6 herein.

### 2. TERM, TENANT IMPROVEMENTS.

(a) Lease Term. The initial Lease Term shall be three (3) years and shall commence on February 1, 2006 ("Commencement Date"), provided Tenant shall have possession of the Premises upon full execution hereof. Tenant shall be responsible for Rents beginning on the Commencement Date or upon substantial completion of the tenant improvements as outlined in paragraph 2(c).\_\_\_\_\_

(b) Base Building Improvements. At Landlord's sole cost and expense, Landlord shall (i) provide the Building's roof and structural elements ("Shell"), (ii) basic utility access to the Building (excluding telephone and telecommunication services which are Tenant's responsibility) and initial HVAC units for the Premises, and (iii) design and construct the common areas of the Building, as more specifically outlined in Exhibit B - Base Building Improvements (collectively "Base Building Improvements").

(e) Tenant Improvements. ~~Not applicable.~~ Landlord, at Landlord's sole cost and expense, shall provide new paint and carpet throughout the space as well as stain the wood trim along the carpet.

(c)  $\pm$

(d) Substantial Completion of Tenant Improvements. Not applicable.

(e) Plans and Drawings. Not applicable.

(f) Tenant Delay. Not applicable.

(g) Furniture Use. During the term of its occupancy, Tenant will be able to use three existing modular work stations that are currently situated in the open area of the space.

### 3. NON-OCCUPANCY OF IMPROVED SPACE.

In the event Tenant does not occupy the Premises and fails to pay Rents as required in Article 4 of this Lease, the costs incurred by Landlord respecting all Tenant Improvements, agent commissions, and legal expenses shall become due and payable upon demand by Landlord. Further, such demand by Landlord does not waive any other rights or remedies Landlord may have against Tenant for failure to occupy.

### 4. RENT.

(a) Base Rent. Annual Base Rent shall be \$16.00 per Rentable sq. ft; and shall increase by three percent (3%) annually beginning on the first anniversary of the Commencement Date during the Lease Term. Base Rent is payable in advance each month on or before the 1st day of each month during the duration of this Lease. The first such monthly rental payment together with the Security Deposit referenced in Article 40 shall be due upon the execution of this Lease. Any partial months shall be prorated accordingly. All Base Rent and Additional Rent (collectively "Rents") shall be paid as follows, unless otherwise directed in writing: Clinton Partners, LLC, Attention: Jan Roberts, P.O. Box 680668, Park City City, Utah 84068-0668.

(b) Additional Rent. All obligations payable by Tenant under this Lease other than Base Rent are called "Additional Rent". Unless otherwise provided, Additional Rent shall be paid with the next monthly installment of Base Rent upon invoicing from Landlord.

(c) Interest, Late Charges, Costs and Attorneys' Fees. If Tenant fails to pay within five (5) calendar days of the date due any Rents which Tenant is obligated to pay under this Lease, the unpaid amount shall bear interest at eighteen (18%) percent per annum. Tenant acknowledges that any late payments of Rents shall cause Landlord to lose the use of that money and incur costs and expenses not contemplated under this Lease, including without limitation administrative, collection and accounting costs, the exact amount of which is difficult to

ascertain. The parties agree that the late charge and interest hereinafter set forth is a reasonable estimate of damages caused by such late payment. Therefore, in addition to interest, any payments not received by Landlord within five (5) calendar days from the date it is due, Tenant shall also pay Landlord a late charge equal to five (5%) percent of the late Rents. Further, as Additional Rent, Tenant shall be liable to Landlord for costs and attorneys' fees incurred as a result of late payments or non-payments. Acceptance of any interest, late charge, costs or attorneys' fees shall not constitute a waiver of any default by Tenant nor prevent Landlord from exercising any other rights or remedies under this Lease or at law.

## **5. USE.**

(a) The Premises shall be used for general office and any other lawful purpose incidental to Tenant's business, and no other, unless consented to in writing by Landlord. Tenant shall not do or permit to be done in or about the Premises or the Building anything which is prohibited by or in any way in conflict with (in the case of hazardous material, Tenant shall notify Landlord of any such materials and shall ensure that any such hazardous material is properly controlled, safeguarded, and disposed of) any and all laws, statutes, ordinances, rules and regulations now in force or which may hereafter be enacted or promulgated or which is prohibited by the standard form of fire insurance policy, or which will increase the existing rate of or affect any fire or other insurance upon the Premises or Building or any of its contents, or cause a cancellation of any insurance policy covering the Premises or Building or any part thereof or any of its contents. Tenant shall not do or permit anything to be done in or about the Premises or Building which will in any way violate Rules or Regulations reasonably promulgated by Landlord throughout this Lease, obstruct or interfere with the rights of other tenants, or injure them, or use or allow the Premises or Building to be used for any improper, immoral, or unlawful purpose, nor shall Tenant cause, maintain or permit any nuisance, in, on or about the Premises or Building or commit or suffer to be committed any waste in, on or about the Premises or Building.

(b) Tenant shall not use the name of the Building in which the Premises are located, in connection with any business carried on in said Premises (except as Tenant's address) without written consent of Landlord.

(c) Tenant shall not manufacture, assemble or store materials within the common areas of the Building.

## **6. LANDLORD'S SERVICES.**

Landlord, at its sole cost and expense, is responsible to maintain only the roof and structural elements ("Shell") of the Premises and the Building. All Operating Expenses, including but not limited to all Landlord provided repairs, maintenance (such repairs and maintenance do not include carpet cleaning, maintenance of terminal items located within the Premises such as light bulbs and fixtures, convenience outlets, plumbing fixtures and stoppages), common area utilities, tenant utilities, common area janitorial, tenant janitorial, sewer and garbage, snow removal, parking lot re-striping, seal coats and lighting, insurance, taxes, and property management on the Premises, Building, and common areas shall be coordinated by



Landlord, but are the financial responsibility of the Tenant through prorated Operating Expenses as more fully outlined in Article 7 herein.

## **7. OPERATING EXPENSES - REPAIRS, MAINTENANCE, INSURANCE, TAXES AND PROPERTY MANAGEMENT.**

Since the Premises is part of a Building or group of buildings, Tenant is responsible for a prorated share of Operating Expenses, including but not limited to all Landlord provided repairs, maintenance, common area utilities, tenant utilities, common area janitorial, tenant janitorial, sewer and garbage, snow removal, parking lot re-striping, seal coats and lighting, insurance, taxes, and property management fees incurred in the operation and management of the Premises, Building, and common areas as shall be reasonably determined by the Landlord. Operating Expenses are estimated for 2006 at \$6.75 per Rentable square foot. Proration shall be on a square footage basis with all other tenants and Tenant's proration shall be calculated by multiplying the Operating Expenses by a fraction, the numerator being the Rentable square feet of the Premises and the denominator being the total Rentable square feet of the Building. The Operating Expenses shall be prorated to Tenant and be payable by Tenant as Additional Rent on a monthly basis and subject to the following terms and conditions:

(a) Tenant's prorated share of the Operating Expenses shall be computed and paid in twelve (12) equal monthly estimated payments as determined in the Landlord's reasonable discretion. Such Additional Rent shall be paid by Tenant on or before the **1st** day of each month with Base Rent. As soon as is reasonably possible, but in any event within ninety (90) days following the end of each calendar year, Landlord shall furnish to Tenant a statement showing the Premise's and Building's actual Operating Expenses for the preceding calendar year. In the case of a deficiency, Tenant shall promptly remit its prorata share of such deficiency to Landlord. In the case of a surplus, Landlord shall apply said surplus to the next Additional Rent due from Tenant.

(b) Tenant may review at its sole cost and expense any Operating Expenses prorated to Tenant by Landlord, including assessed Real Estate Taxes as may be statutorily allowed. Landlord shall make available the applicable Operating Expenses invoices and statements. However, any such review must be requested and completed within sixty (60) days of receipt of the annual statement. In the event Tenant fails to notify Landlord of its written objection to Landlord's calculating of Operating Expenses within such sixty (60) day period, Tenant shall be deemed to have waived any claim respecting the same and Landlord's calculation of Operating Expenses shall be conclusive thereof.

## **8. ALTERATIONS.**

(a) Tenant will not make or suffer to be made any alterations, additions or improvements in excess of \$1,000.00, excluding the initial Tenant Improvements, (collectively "Alterations") to or upon the Premises, Building, or any part thereof, or attach any fixtures or

equipment thereto, without first obtaining Landlord's written approval, which shall not be unreasonably withheld or delayed. Any Alterations to or upon the Premises shall be made by Tenant at Tenant's sole cost and expense and any contractor selected by Tenant to make the same shall be subject to Landlord's reasonable prior written approval. All such Alterations permanent in character, made in or upon the Premises either by Tenant or Landlord, may at the option of Landlord, become Landlord's property and, at the end of the term or any extension hereof, shall remain on the Premises without compensation to Tenant unless Landlord requests that Tenant remove any such Alterations. In the event Tenant fails to remove such Alterations and restore the Premises to the condition as existed before installation of such Alterations, Landlord may undertake such removal and Tenant shall pay the cost thereof immediately upon demand by Landlord. Notwithstanding the above, Tenant's work stations and other items of personal property shall remain Tenant's property. Notwithstanding anything to the contrary herein, Tenant shall not be permitted to make any exterior alterations.

(b) Any Alterations shall, when completed, be of such a character as not to lessen the value of the Premises or such improvements as may be located thereon. Any and all materials used in the Alterations to or upon the Premises, Building or any part thereof, shall be of equal or better material subject to the approval of the Landlord, in Landlord's sole discretion. Any Alterations shall be made promptly and in a good workmanlike manner, and in compliance with all applicable permits, building and zoning laws, and with all other laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, departments, commissions, boards and offices. The costs of any such Alterations shall be paid by Tenant, so that the Premises shall be free of liens, for services performed, labor and material supplied or claimed to have been supplied. Before any Alterations shall be commenced, Tenant shall pay any increase in premiums on insurance policies (provided for herein) or ensure adequate coverage is in place for all risks related to the construction of such Alterations and any increased value of the Premises.

## **9. PERSONAL PROPERTY & SIGNAGE.**

Placement of signs on the exterior of the building or monument, including the type, size and lighting of the signs, and the location and availability of space for signs, must be approved in writing by Landlord prior to their installation in Landlord's sole discretion. Such personal property must be removed at the end of the Term of Lease, any Option period herein if applicable, or upon Tenant's failing to have possession of the Premises. In the event Tenant fails to remove such personal property and restore the Building or monument to the condition as existed before such installation, Landlord may undertake such removal and Tenant shall pay the cost thereof immediately upon demand by Landlord. Tenant shall be entitled, at Tenant's sole expense, to place a name plate per the Landlord's specifications and final approval on the monument sign. Landlord shall provide a monument sign plan and specifications to Tenant.

## **10. LIENS.**

Tenant shall keep the Premises and the Building free from any mechanic's and/or materialmen's liens or other liens arising out of any work performed, materials furnished or

obligations incurred by Tenant. Tenant shall notify Landlord in writing at least seventy-two (72) hours before any work or activity is to commence on the Premises which may give rise to such liens to allow Landlord to post and keep posted on the Premises any notices which Landlord may deem to be proper for the protection of Landlord and the Premises from such liens. Landlord's consent to alterations or installation of Tenant's personal property on the Premises shall not in any case be deemed to subject Landlord's interest to the charge of any lien of whatsoever nature respecting such alterations or installations unless prior to commencement of such alterations or installations, Landlord specifically consents that its interest shall be chargeable for payment of any such sums as may become due on account thereof.

## **11. DESTRUCTION OR DAMAGE.**

(a) If the Premises is partially damaged by fire, earthquake, or other Act of God, Landlord shall repair the same at Landlord's expense, subject to the provisions of this Article and provided such repairs can, in Landlord's reasonable opinion, be made within ninety (90) days. During such repairs, this Lease shall remain in full force and effect, except that if there shall be damage to the Premises and such damage is not the result of the negligence or willful misconduct of Tenant, Tenant's employees, agents, or invitees, an abatement of Rents shall be allowed Tenant for such portion of Premises and period of time as the Premises was unusable by Tenant.

(b) If in Landlord's reasonable opinion the partially damaged Premises can be repaired, but not within ninety (90) days, the Landlord may elect, upon written notice to Tenant within thirty (30) days of such damages, to repair such damages over a longer time period and continue this Lease in full force and effect, but with Rents partially abated as provided in Article 11(a). In the event such repairs cannot be made within one hundred eighty (180) days, Tenant shall have the option to terminate this Lease provided that written notice is given to Landlord within thirty (30) days of receipt of Landlord's notice stated in this paragraph.

(c) If the partially damaged Premises is to be repaired under this Article, Landlord shall repair such damages to the Premises itself, and to the Tenant Improvements supplied by Landlord herein. Tenant shall be responsible for Tenant's equipment, furniture and fixtures, and other alterations, additions and improvements made by Tenant to the Premises and Building.

(d) If in Landlord's reasonable opinion, the Premises is totally or substantially destroyed by fire or other casualty, this Lease shall terminate upon notice by Landlord.

## **12. SUBROGATION.**

Landlord and Tenant shall each, prior to Tenant's taking possession or immediately after the execution of this Lease, procure from each of the insurers under all policies of fire, theft, public liability, workmen's compensation and other insurance now or hereafter existing during the term and any extension hereof and purchased by either of them insuring or covering the Premises and/or the Building or any portion thereof or operations therein, a waiver of all rights of subrogation which the insurer might otherwise, if at all, have against the other.

### **13. INDEMNIFICATION.**

Tenant agrees to indemnify, defend and hold harmless Landlord and its officers, directors, partners and employees from and against all liabilities, judgments, demands, actions, expenses or claims, including reasonable attorney's fees and court costs, for injury to or death of any person, the release of any hazardous materials, or for damages to any property to the extent arising out of or connected with (i) the use, occupancy or enjoyment of the Premises, the Building, or common areas by Tenant or Tenant's agents, employees, invitees, licensees, or contractors (the "Tenant's Agents"), or any work or activity performed by Tenant or by Tenant's Agents in, or about the Leased Premises, Building, or commons areas, including any Tenant improvements, (ii) any breach or default in the performance of any obligation of Tenant under this Lease, (iii) any negligent or intentional tortious act of Tenant or Tenant's Agents on or about the Premises, Building, or common areas or any negligent or intentional tortious act of Tenant's licensees on or about the Premises, the Building or common areas. Notwithstanding the foregoing, Tenant shall not be liable to the extent that damage or injury is determined ultimately to be caused by the negligent or intentional tortious act of Landlord, or of Landlord's employees, agents, invitees, licensees, or contractors ("Landlord's Agents"). All property of Tenant kept or stored on the Premises or in the Building shall be so kept or stored at the risk of Tenant only, and Tenant shall hold Landlord free and harmless from any claims arising out of damage to the same, unless such damage shall be caused by the negligent or intentional tortious act of Landlord or Landlord's Agents. The indemnification contained herein shall survive the expiration or earlier termination of this Lease as to acts occurring prior to such expiration or termination.

### **14. COMPLIANCE WITH LEGAL REQUIREMENTS.**

Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, the requirements of any board of fire underwriters or other similar body now or hereafter constituted, any direction or occupancy certificate issued pursuant to any law by any public officer or officers, as well as the provisions of all recorded documents affecting the Premises, (collectively the "Applicable Laws"), insofar as any thereof relate to or affect the use or occupancy of the Premises, Building, or common areas.

Landlord shall, at its sole cost and expense, promptly comply with all Applicable Laws, including the American with Disabilities Act ("ADA"), insofar as any thereof relate to or affect Landlord's obligations under this Lease, or its ownership of the Premises, Building, or common areas, except for Tenant's requirements in the immediately preceding paragraph herein.

### **15. INSURANCE.**

(a) Commercial General Liability. Tenant shall, maintain a Commercial General Liability policy including all coverages normally provided therein. Such policies shall specifically name Landlord as an additional insured, with a cancellation period of thirty (30) days prior written notice to Landlord of any cancellation. An original Certificate of Insurance shall be provided to Landlord and Landlord's mortgagee or any other party as Landlord deems necessary.

The minimum limits of coverage acceptable are:

- (i) \$1,000,000 Each Occurrence Combined Single Limit for Bodily Injury and Property Damage
- and
- (ii) \$2,000,000 Annual Aggregate

(b) Tenant's Additional Insurance. Tenant shall, maintain Physical Damage Insurance covering (i) all office furniture, trade fixtures, office equipment, merchandise, and all other items of Tenant's property on the Premises installed by, for, or at the expense of Tenant, (ii) the Tenant Improvements, including any Tenant Improvements which Landlord permits to be installed above the floor of the Premises or below the ceiling of the Premises, and (iii) all other improvements, alterations, and additions to the Premises, including any improvements, alteration, or additions installed at Tenant's request above the ceiling of the Premises or below the floor of the Premises. Such insurance shall be written on an "all risks" of physical loss or damages basis, in an amount of not less than 100% of the replacement cost value new without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance. Except losses caused by Landlord's gross negligence or willful misconduct, Landlord is in no way liable for any uninsured Tenant's property.

Loss-of-income and extra-expense insurance in such amounts as will reimburse Tenant for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent tenants or attributable to prevention of access to the Premises or to the Building as a result of such perils.

The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. Such insurance shall (i) name Landlord , and any other party if Landlord so specifies, as an additional insured; (ii) specifically cover the liability assumed by tenant under this Lease, including, but not limited to, Tenant's obligation under Article 13 of this Lease; (iii) be issued by an insurance company having a rating of not less than A- in Best's Insurance Guide or which is otherwise acceptable to Landlord and Landlord's mortgagee and licensed to do business in the state in which the Building is located; (iv) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and is non-contributing with any insurance requirement of Tenant; and (v) provide that said insurance shall not be canceled, expire, or coverage changed unless thirty (30) days prior written notice shall have been given to Landlord and any mortgagee. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificate, Landlord may, at its option, procure such policies for the account of Tenant, and the cost thereof shall be paid to Landlord as additional Rent within five (5) calendar days after delivery to Tenant of bills thereof, plus a five percent (5%) administrative fee. Deductibles, if any, are the sole responsibility of the Tenant.



(c) Premises and Building Insurance. Landlord shall insure the Premises and Building, as deemed necessary in Landlord's reasonable discretion (which insurance may include loss of rents, liability coverage and insurance for loss or destruction, as well as other provisions as Landlord in its sole discretion deems prudent). It is agreed that Landlord carries insurance for its own protection; Tenant is not a coinsured under Landlord's own insurance nor a beneficiary thereof. Tenant shall pay for such insurance as outlined in Article 7 herein, involving Tenant's prorated share of Operating Expenses. All policies of insurance shall be issued by an insurance company having a rating of not less than A- in Best's Insurance Guide or which is otherwise acceptable to Landlord and licensed to do business in the state which the Building is located.

## **16. ASSIGNMENT AND SUBLETTING.**

In the event Tenant should desire to assign this Lease or sublet the Premises, Tenant shall give Landlord written notice of such desire at least ninety (90) days in advance of the date on which Tenant desires to make such assignment or sublease. Landlord shall then have a period of thirty (30) days following receipt of such notice within which to notify Tenant in writing that Landlord elects (i) to terminate this Lease as of the date specified by Tenant in which case Tenant shall be relieved of all further obligations under the Lease except as may have accrued prior to or by the terms hereof survive such termination, or (ii) to disapprove such assignment or subletting, or (iii) to permit Tenant to assign or sublet such space. Landlord's consent not to be unreasonably withheld or delayed, so long as the use of the Premises by the proposed assignee would be a permitted use and the proposed assignee is of sound financial condition as determined by Landlord. If Landlord should fail to notify Tenant in writing of such election within said thirty (30) day period, Landlord shall have deemed to have disapproved such assignment or subletting. Any rents or other consideration realized by Tenant under any such sublease or assignment in excess of the Rents hereunder, shall be divided and paid ninety percent (90%) to Landlord and ten percent (10%) to Tenant. A change in the control or transfer of any interest of Tenant or any entity which has an interest in Tenant or any Guarantor of this Lease which is a corporation, partnership, limited liability company, business or business trust or other entity, whether said transfer of interest or change of control consists of transfer of stock, partnership interest, membership interest, beneficial interest or other transfer of whatsoever nature, including a pledge or creation of security interest in any such entities or in the Lease, or a sale of assets, or any agreement creating a right in anyone to conduct Tenant's or Guarantor's business shall be deemed an assignment of this Lease and subject to Landlord's right to disapprove of such transaction as set forth above.

## **17. RULES.**

Tenant shall faithfully observe and strictly comply with all rules and regulations set forth in Exhibit "C" attached hereto and referred hereinafter as the "Rules and Regulations". Said Rules and Regulations may be deleted, amended or supplemented by Landlord from time to time with such other rules and regulations as Landlord may reasonably adopt for the safety, care, and cleanliness of the Building and the Premises and the facilities thereof, or the preservation of good order therein. Landlord shall not be liable to Tenant for violation by any other tenant in the

Building of any such Rules and Regulations, or for breach of any covenant or condition in any lease. Landlord has not represented and is not hereby representing that all tenants in the Building are or shall be bound to any part or all of such Rules and Regulations.

#### **18. ENTRY BY LANDLORD.**

The Landlord may enter the Premises or Building at reasonable hours and upon 24 hours written notice to Tenant to (a) inspect the same, (b) show the same to prospective purchasers, lenders or tenants, (c) determine whether Tenant is complying with all of Tenant's obligations hereunder, (d) post notices of non-responsibility or (e) make repairs required of Landlord under this Lease, repairs to adjoining space or utility service, or make repairs, alterations or improvements to the Building, provided that all such work shall be done as promptly as possible and with as little interference to Tenant as reasonably possible. Tenant hereby waives any claim for damages for any inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises occasioned by such entry. Landlord shall at all times have and retain a key to unlock all doors in, on or about the Premises (excluding Tenant's vaults, safes and similar areas designated in writing by Tenant). In the event of an emergency, Landlord shall have the right to use any and all means which Landlord may deem proper to enter the Premises, without notice, for the limited purpose of abating as possible said emergency. Such emergency entrance shall not be construed or deemed to be a forcible or unlawful entry into or a detainer of the Premises or an eviction, actual or constructive, of Tenant from the Premises, or any portion thereof.

#### **19. EVENTS OF DEFAULT.**

The occurrence of any one or more of the following events ("Events of Default") shall constitute a breach of this Lease by Tenant: (a) if Tenant fails to pay Rents when and as the same becomes due and payable and such failure continues for more than ten (10) calendar days after written notice thereof, or (b) if Tenant fails to pay any other sum when and as the same becomes due and payable and such failure continues for more than ten (10) calendar days after written notice thereof; or (c) if Tenant fails to perform or observe any material term or condition of this Lease, such failure continues for more than ten (10) calendar days after written notice from Landlord, and Tenant does not within such period begin with due diligence and dispatch the curing of such default, or, having so began, thereafter fails or neglects to complete with due diligence and dispatch the curing of such default; or (d) if Tenant shall commit, suffer or allow any transfer not in accordance with Section 16 hereof; or (e) if Tenant shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due or shall file a petition in bankruptcy, or shall be adjudicated as bankrupt or insolvent, or shall file a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall file any answer admitting or shall fail timely to contest the material allegations of a petition filed against it in any such proceeding, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Tenant or any material part of its properties; or (f) if within thirty (30) calendar days after the commencement of any

proceeding against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding shall not have been dismissed, or if, within thirty (30) calendar days after the appointment without the consent or acquiescence of Tenant, of any trustee, receiver or liquidator of Tenant or of any material part of its properties, such appointment shall not have been vacated; or (g) vacation or abandonment of the Premises for a continuous period in excess of fifteen (15) calendar days, or (h) if this Lease or any estate of Tenant hereunder shall be levied upon under any attachment or execution and such attachment or execution is not vacated within ten (10) calendar days of receipt thereof by Tenant.

## **20. TERMINATION UPON TENANT'S DEFAULT.**

If an Event of Default shall occur, Landlord at any time thereafter may give a written termination notice to Tenant, and on the date specified in such notice (which shall not be less than three (3) calendar days after service) Tenant's right to possession shall terminate unless on or before such date all Rents, arrearages and other sums due by Tenant under this Lease, including reasonable costs and attorneys' fees incurred by or on behalf of Landlord, shall have been paid by Tenant and all other Events of Default by Tenant shall have been fully cured to the satisfaction of Landlord. Upon such termination, Landlord may recover from Tenant:

(a) the worth at the time of award of the unpaid Rents which had been earned at the time of termination; plus

(b) the worth at the time of award of the amount by which the unpaid Rents which would have been earned after termination until the time of award exceeds the amount of such Rents loss that Tenant proves could have been reasonably avoided; plus

(c) the worth at the time of award of the amount by which the unpaid Rents for the balance of the term of this Lease after the time of award exceeds the amount of such Rents loss that Tenant proves could be reasonably avoided; and plus

(d) any other amount reasonably necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; and/or

(e) At Landlord's election, such other amounts in addition or in lieu of the foregoing as may be permitted from time to time herein or by applicable law.

The "worth at the time of award" of the amounts referred to in clauses (a) and (b) above is computed by allowing interest at the rate of 10% per annum. The "worth at the time of award" of the amount referred to in clause (c) above means the monthly sum of the Rents under this Lease. Failure of Landlord to declare any default immediately upon occurrence thereof, or delay in taking any action in connection therewith, shall not waive such default, but Landlord shall have the right to declare any such default at any time thereafter.

## **21. CONTINUATION AFTER DEFAULT.**

Even though Tenant has defaulted under this Lease, this Lease shall continue in effect as long as Landlord does not terminate Tenant's right to possession, and Landlord may enforce all of its rights and remedies under this Lease, including the right to recover the Rents as they become due under this Lease. Acts of maintenance or preservation or efforts to relet the Premises or the appointment of a receiver upon initiative of Landlord shall not constitute a termination of the Lease. If any fixture, equipment, improvement, installation or appurtenance shall be required to be removed from the Premises and/or Building by Tenant, then Landlord (in addition to all other rights and remedies) may, at its election by written notice to Tenant, deem that the same has been abandoned by Tenant to Landlord, or Landlord may remove and store the same and restore the Premises to its original condition at the expense of Tenant, as Additional Rent to be paid after written notice to Tenant of such expense.

## **22. LANDLORD'S DEFAULT.**

If Landlord fails to perform or observe any of its material Lease obligations herein and such failure continues for fifteen (15) calendar days after written notice from Tenant, or such additional time, if any, that is reasonably necessary to promptly and diligently cure such failure after receiving written notice, Landlord shall be in breach of this Lease (a "Default"). If Landlord commits a Default, Tenant may cure any default of Landlord at Landlord's cost. If Tenant at any time by reason of Landlord's default reasonably pays any sum, the sum paid by Tenant shall be due from Landlord to Tenant within fifteen (15) calendar days after written notice specifying the amounts claimed due. In no case however may Tenant offset such sum from rent then due and payable. In the event of a breach or default by Landlord of any of its obligations under or related to this Lease, Tenant agrees that it shall look solely to the equity of Landlord in the land and Building of which the Premises are a part for the satisfaction of any of Tenant's remedies or claims related thereto, and Landlord shall have no further liability beyond its interest in the land and Building of which the Premises are a part.

## **23. LANDLORD'S RIGHT TO CURE DEFAULTS.**

If Tenant fails to pay any sum of money, other than Rents, required hereunder or fails to perform any other act required hereunder and such failure continues for ten (10) calendar days after notice by Landlord, Landlord may, but shall not be obligated, and without waiving or releasing Tenant from any obligations of Tenant, make any such payment or perform any such act on Tenant's part to be made or performed as provided in this Lease. All sums paid or costs incurred by Landlord and all incidental costs shall be deemed Additional Rent hereunder and shall be payable upon written notice of such sums paid.

## **24. OTHER RELIEF.**

The remedies provided for in this Lease are in addition to any other remedies available to Landlord and Tenant at law or in equity by statute or otherwise.

**25. ATTORNEYS' FEES.**

In the event either party places at issue the enforcement of this Lease, or any part thereof, or the collection of any Rents, or recovery of the possession of the Premises, or files suit upon the same, then the prevailing party shall recover its reasonable attorneys' fees and costs in an amount not to exceed Ten Thousand Dollars (\$10,000.00) in any one instance.

**26. EMINENT DOMAIN.**

If all or any part of the Premises shall be taken or conveyed as a result of the exercise of the power of eminent domain, this Lease shall terminate as to the part so taken as of the date of the taking, and, in the case of a partial taking, if less than all of the Premises shall be taken, this Lease shall not terminate, but the Rent payable hereunder during the unexpired portion of this Lease may be reduced as set forth below. In the event of any taking, Landlord shall be entitled to any and all compensation, damages, income, rent awards or any interest therein whatsoever which may be paid or made in connection therewith, and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease or otherwise, provided that Tenant shall be entitled to any and all compensation, damages, income, rent or awards paid for or on account of Tenant's moving expenses, and trade fixtures. In the event of a taking of the Premises which does not result in a termination of this Lease, the monthly rental herein shall be apportioned as of the date of such taking so that thereafter the rent to be paid by Tenant shall be in the ratio that the area of the Premises not so taken bears to the total area of the Premises prior to such taking.

**27. SUBORDINATION, ATTORNMENT & NONDISTURBANCE; AND ESTOPPEL CERTIFICATE.**

At Landlord's request, Tenant agrees to execute, acknowledge, and deliver within ten (10) calendar days to Landlord a Subordination Attornment Agreement ("Subordination Agreement"), subject to Landlord's reasonably proposed form(s). Such Subordination Agreement shall subordinate this Lease to any ground lease, mortgage, deed of trust, or any other hypothecation for security now or hereafter placed upon the Premises, Building or common areas, or any part thereof, to any and all advances made on the security, and to all renewals, modifications, consolidations, replacements and extensions thereof, whether this Lease is dated prior or subsequent to the date of said ground lease, mortgage, deed of trust or other hypothecation or the date of recording thereof. Further, at Landlord's request, Tenant agrees to execute, acknowledge, and deliver within ten (10) calendar days to Landlord an Estoppel Certificate, subject to Landlord's proposed form(s). Such Subordination Agreement and Estoppel Certificate may be relied upon by Landlord, any prospective purchaser, mortgagee, or beneficiary under any ground lease, mortgage, deed of trust, or any other hypothecation of the Premises, Building, or common areas, or any part thereof. Notwithstanding such Subordination Agreement, Tenant's right to quiet possession of the Premises shall not be disturbed so long as Tenant is not in default under this Lease, unless this Lease is otherwise terminated pursuant to its terms.



In the event that Tenant fails to execute, acknowledge, and deliver to Landlord such Subordination Agreement and Estoppel Certificate within ten (10) calendar days of Landlord's request, Tenant shall be deemed in default of this Lease without further notice. In event of such Tenant default, the parties herein further expressly agree that the Subordination Agreement and Estoppel Certificate are deemed to have been executed by Tenant.

**28. NO MERGER.**

The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Landlord terminate all or any existing subleases or subtenancies, or may, at the option of Landlord, operate as an assignment to it of any or all such subleases or subtenancies.

**29. SALE.**

In the event the original Landlord hereunder, or any successor owner of the Premises, Building, and common areas shall sell or convey the Premises, Building, and common areas, and the purchaser assumes the obligations of Landlord under this Lease, all liabilities and obligation on the part of the original Landlord, or such successor owner, under this Lease accruing after such Sale shall terminate, and thereupon all such liabilities and obligations shall be binding upon the new owner. Tenant agrees to attorn to such new owner.

**30. NO LIGHT OR VIEW EASEMENT.**

Any diminution or shutting off of light or view by any structure erected on lands adjacent to the Building shall in no way affect this Lease or impose any liability on Landlord.

**31. HOLDING OVER.**

If, without objection by Landlord, Tenant holds possession of the Premises after expiration of the Term or any Option period of this Lease, Tenant shall become a tenant from month to month upon the terms herein specified, but at a monthly Base Rent equivalent to 150% of the Base Rent at the end of the term or extension period pursuant to Article 4, payable in advance on or before the 1st day of each month. All Additional Rent shall also apply. Each party shall give the other notice at least one (1) month prior to the date of termination of such monthly tenancy of its intention to terminate such tenancy.

**32. ABANDONMENT.**

If Tenant shall abandon or surrender the Premises, or be dispossessed by process of law or otherwise, any personal property belonging to Tenant and left on the Premises shall be deemed to be abandoned, at the option of Landlord, except such property as may be mortgaged to Landlord.

**33. WAIVER.**

All waivers by either party herein must be in writing and signed by such party. The waiver of any term or conditions herein shall not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition or provision herein contained, nor shall any custom or practice which may grow upon between the parties in the administration of the terms hereof be construed to waive or to lessen the right of either party to insist upon the performance by the other party in strict accordance with said terms. The subsequent acceptance of Rents hereunder by Landlord shall not be deemed to be a waiver of any breach by Tenant of any term or condition of this Lease, regardless of Landlord's knowledge of such breach at the time of acceptance of such Rents.

#### **34. NOTICES.**

All notices and demands which may or are required to be given by either party to the other under this Lease shall be in writing and shall be deemed to have been fully given when deposited in the United States mail, certified or registered, postage prepaid, and addressed as follows:

To Tenant: Utah Counties Insurance Pool, Inc.  
Attention: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To Landlord: Clinton Partners, LLC  
Attention: Jan Roberts  
2189 White Pine Canyon Road  
P.O. Box 680668  
Park City, Utah 84068-0668

or to such other place as Tenant or Landlord may from time to time designate in a notice to the party, or in the case of Tenant, delivered to Tenant at the Premises. Tenant hereby appoints as its agent to receive the service of all dispossessory or distraint proceedings and notices hereunder the person in charge of or occupying the Premises at the time, and if no person shall be in charge of or occupying the same, then service may be made by attaching same on the main entrance of the Premises.

#### **35. COMPLETE AGREEMENT.**

There are no oral agreements between Landlord and Tenant affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between Landlord and Tenant with respect to the subject matter of this Lease. This Lease may not be altered, changed or amended, except by an instrument in writing signed by both parties hereto.

#### **36. CORPORATE AUTHORITY.**

The person(s) executing this Lease on behalf of the parties herein hereby covenants and warrants that (a) such party is a duly organized and validly existing entity under the laws in which it was formed, (b) such party has and is qualified to do business in Utah, (c) such entity has full right and authority to enter into this Lease, and (d) each person executing this Lease on behalf of such entity is authorized to do so.

**37. GUARANTEE OF LEASE.**

Tenant guarantees to occupy the Premises in accordance with Article 3 contained herein. Any failure to occupy the Premises does not release the Tenant from the obligation of paying Rents or any other terms set forth herein.

**38. MISCELLANEOUS.**

(a) The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. If there be more than one Tenant, the obligations hereunder imposed upon Tenant shall be joint and several.

(b) Time is of the essence on this Lease and each and all of its terms and conditions.

(c) The terms and conditions herein shall apply to and bind the heirs, executors, administrators, successors and assigns of the parties hereto.

(d) The captions of this Lease are solely to assist the parties and are not a part of the terms or conditions of this Lease.

(e) This Lease shall be governed by and construed in accordance with the laws of the State of Utah, and is deemed to be executed within the State of Utah.

**39. SEVERABILITY.**

If any term provision of this Lease, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and shall be enforceable to the extent permitted by law.

**40. SECURITY DEPOSIT.**

Tenant shall deposit with Landlord upon execution of the Lease a security deposit of Three Thousand Nine Hundred Seventy Six and no/100 Dollars (\$3,976.00) ("Security Deposit"). The Security Deposit shall be held by Landlord as security for the faithful performance by Tenant of all of the provisions of the Lease to be performed or observed by it, then, at the option of the Landlord, Landlord may (but shall not be obligated to do so) apply the Security Deposit, or so much thereof as may be necessary to remedy such default or to repair damages to the Premises

caused by Tenant. In the event Landlord applies any portion of the Security Deposit to remedy any such default or to repair damages to the Premises caused by Tenant, Tenant shall pay to Landlord, within thirty (30) calendar days after written demand for such payment by Landlord, all monies necessary to restore the Security Deposit up to the original amount. Landlord will not be required to keep the security deposit separate from its general funds and Tenant will not be entitled to interest on the security deposit. The security deposit will not be a limitation on Landlord's damages or other rights under this lease, or a payment of liquidated damages, or an advance payment of the rent. If Tenant pays the rent and performs all of its other obligations under this lease, Landlord will return the unused portion of the security deposit to Tenant within thirty (30) days after the end of the term.

IN WITNESS WHEREOF, the parties have executed this Lease dated the day and year first above written.

TENANT:  
Utah Counties Insurance Pool, Inc.  
A Utah corporation

LANDLORD:  
Clinton Partners, LLC  
a Utah limited liability company

By: \_\_\_\_\_

By: \_\_\_\_\_

Steven P. Urry

Its:

Its: Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**

**SPACE PLAN**  
**(Attached Hereto)**



## **EXHIBIT B**

### **BASE BUILDING IMPROVEMENTS**

The Base Building Improvements and systems as described below shall be furnished by Landlord at Landlord's sole cost and expense. These include:

1. The Building structure will be designed for a minimum floor load of 50 lb. Live load plus a 20 lb. partition dead load.
2. The Building shell will include a core consisting, elevator with equipment room, stairwell enclosures, 1 man and 1 woman restroom on main floor, finished lobbies, exterior perimeter walls, windows and all building columns.
3. A concrete floor will be installed with a smoothed trowel finish for installation of glued--down carpet. The Floor will be poured level and finished in accordance with current ACI Standard Specifications 117.
4. The Building shall comply with current Life Safety requirement and be installed in accordance with applicable national, state and local codes and the Americans with Disabilities Act, throughout the Building, including all corridors, stairwells and rest-rooms (strobes). (No fire sprinkler system).
5. Electrical distribution will be provided to the main panel boxes. The electrical system shall be sized for seven (7) watts per usable square foot for Tenant's consumption, over and above base building electrical requirements.
6. The Building will be equipped with a packaged-unit heating, ventilation and air conditioning system. The system will be designed to maintain a space temperature between 70'-75' degrees F on a year-round basis, based on a maximum average occupancy of one (1) person for each 200 square feet of usable area. The requirements for ventilation shall comply with present ASHRAE (American Society of Heating, Refrigeration and Air-Conditioning Engineers) standard 62-1989 as a minimum requirement. Tenant shall be furnished with a price per ton for package unit if additional air conditioning is required beyond the system that is initially provided, based upon Tenant's use of the Premises.
7. Telephone service, as provided by the local utility, will be brought to the Building's main telephone room.
8. Common corridor walls and walls between tenant suites will be provided with the side finished only to the common areas.
9. Roadways necessary for Tenant's access to and egress from the Building will be completed, along with parking, landscaping and irrigation system.





**Utah Counties Insurance Pool**

January 5, 2006

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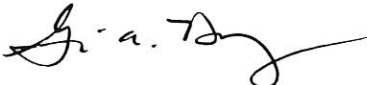
your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with your and arrive at a new fee estimate before we incur the additional costs. In computing the estimated fee, we have analyzed each function required to complete the audit and have budgeted the estimated time to compute such function. We will require strict adherence to the budget by staff people and will require that all budget variances be explained and documented.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2005 peer review final acceptance letter accompanies this letter.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

LARSON & COMPANY, P.C.



Geri A. Douglas, CPA  
Officer/Shareholder

**RESPONSE:**

This letter correctly sets forth the understanding of **Utah Counties Insurance Pool**

By: 

Title: Chief Executive Officer

Date: 2/15/2006

## **Utah Counties Insurance Pool**

January 5, 2006

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provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

### **Audit Procedures—Internal Control**

In planning and performing our audit, we will consider the internal control sufficient to plan the audit in order to determine the nature, timing, and extent of our auditing procedures for the purpose of expressing our opinion on **Utah Counties Insurance Pool** financial statements.

An audit is not designed to provide assurance on internal control or to identify reportable conditions. However, we will inform the governing body or audit committee of any matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

### **Audit Administration, Fees, and Other**

We understand that your employees will prepare all cash or other confirmations we request and will locate any invoices selected by us for testing.

The audit documentation for this engagement is the property of Larson & Company and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the State Auditor's Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Larson & Company personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

We estimate that our fee for the audit, based on our regular per diem rates, will not exceed \$12,500. The fee estimate is based on anticipated cooperation from



## **Utah Counties Insurance Pool**

January 5, 2006

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regulations and for taking timely and appropriate steps to remedy any fraud, illegal acts, or violations of contracts or grant agreements that we may report.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors that come to our attention, and we will inform you of any fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Identifying and ensuring that **Utah Counties Insurance Pool** complies with laws, regulations, contracts, and agreements is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of **Utah Counties Insurance Pool's** compliance with applicable laws and regulations and the

## **Utah Counties Insurance Pool**

January 5, 2006

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have a material effect on the financial statements as required by Government Auditing Standards. This report will include a statement that the report is intended solely for the information and use of the audit committee, management, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties.

### **Management Responsibilities**

Management is responsible for making all financial records and related information available to us. We understand that you will provide us with such information required for our audit and that you are responsible for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will advise you in the preparation of your financial statements, but the responsibility for the financial statements remains with you. You are responsible for making all management decision, performing all management functions, and designating a management-level employee with sufficient skills, knowledge, or experience to oversee our financial statement preparation services and to evaluate the adequacy and results of those services. As part of our engagement, we may propose standard, adjusting, or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the financial statements. That responsibility includes the establishment and maintenance of adequate records and effective internal control over financial reporting, the selection and application of accounting principles, and the safeguarding of assets. Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and



LARSON & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

January 5, 2006

Audit Committee  
**Utah Counties Insurance Pool**  
5397 South Vine Street  
Murray, UT 84107

We are pleased to confirm our understanding of the services we are to provide **Utah Counties Insurance Pool** for the year ended December 31, 2005.

We will audit the financial statements of **Utah Counties Insurance Pool** as of and for the year ended December 31, 2005. The document we submit to you will include the following supplementary information required by generally accepted accounting principles that will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis

### **Audit Objectives**

The objective of our audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and will include tests of the accounting records of **Utah Counties Insurance Pool** and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the financial statements is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could



**Limited Warranty:**

A. Subject to the provisions of this Paragraph and Seller's Warranty Service Policy, Seller warrants for a period of one (1) year from the date of the cutover of the Equipment for use by Buyer (unless otherwise stated on Page one of this document), that the new telephone and/or data equipment specified on page one of this document will be free from defects in material and workmanship. If any defects covered by this warranty appear within the above stated one (1) year period, seller shall have the option of repairing or replacing the Equipment at its expense. All of the replaced parts will become the property of Seller. Such repair or replacement shall be Buyer's exclusive remedy for breach of warranty or for negligence.

B. Seller will not be obligated to repair or replace any item of equipment which has been repaired by others, abused or improperly handled, stored, altered or used with third party materials of equipment, which material or equipment is defective or of poor quality, and seller shall not be obligated to repair or replace equipment which has not been installed by seller. The obligation to replace parts as herein provided is conditional upon and inspection of any such parts which disclose defects which were inherent in the manufacture thereof. This warranty does not cover the wearing out of cords, damage caused to the equipment or any part thereof by buyer, its employees, invitees, licensees or agents, or any injury to parts for lightning, fire, foreign currents, exposure to excessive moisture, vandalism, theft, unauthorized alteration, or relocation of equipment by Buyer, or from any other cause not due to inherent defects or poor workmanship.

C. Seller hereby assigns to Buyer (to the extent it has the right to do so) the benefit of any warranties or guarantees provided to seller via the manufacturer(s) of the equipment.

D. SELLER SHALL NOT BE LIABLE FOR ANY SPECIAL OR CONSEQUENTIAL DAMAGES OR FOR LOSS, DAMAGE OR EXPENSE DIRECTLY OR INDIRECTLY ARISING FROM THE USE OF THE EQUIPMENT SOLD HEREUNDER, OR ARISING FROM BUYER'S INABILITY TO USE THE EQUIPMENT EITHER SEPARATELY OR IN COMBINATION WITH ANY OTHER EQUIPMENT OR FROM ANY OTHER CAUSE.

E. THE WARRANTY STATED ABOVE SHALL BE IN LIEU OF AND EXCLUDES ALL OTHER EXPRESSED OR IMPLIED WARRANTIES INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANT ABILITY OR FITNESS.

F. Seller does not make any warranties of the equipment, either express or implied, except as provided in this Agreement, and any warranties which would extend beyond the description of the equipment are expressly denied.

**Interconnection with Utilities Facilities.** Seller's services shall be limited to the installation of the equipment on the Buyer's side of the equipment connecting to the telephone system operated by the local telephone utility or other carrier. Seller shall not be responsible in the event the utility or carrier fails to timely make available interconnect services nor shall seller be obligated to pay the interconnect tariff or other charges of the utility or carrier with respect to such services. Seller is not responsible for any advertising of the Buyer, whether associated with or external to, any carrier or their publications. In the event of telephone number or account changes, Buyer is advised to consult with and verify any advertising arrangements that have been, or need to be placed with the appropriate carrier or publisher.

**Third Party Leasing.** In the event Buyer elects to assign ownership of the equipment purchased, and lease it through a third party lessor, Buyer nevertheless shall continue to be liable for the payment of all amounts due under this agreement to seller. The Buyer warrants that the lessor shall pay the seller the same amounts at the same time as if the equipment had been sold directly to buyer under this contract.

**Buyer's Installation Obligations.** If so stated on page one, seller agrees to deliver and install equipment at Buyer's address ("Premises"). Buyer agrees to make the premises available and ready for installation of equipment and at its own expense: (a) Furnish commercial power for telephone switching equipment or data equipment as specified by Seller. (b) Furnish switchroom environment as specified by Seller. (c) Furnish access to all telephone equipment rooms, terminal rooms and any area necessary to install and maintain a complete telephone system or data network. (d) Furnish a secure area for the central switching equipment with access only by authorized persons. (e) Furnish any available documentation of existing telephone or data equipment and associated applications in order to assist in engineering the new system(s). (f) Meet any special requirements of the building owner. (g) Assume responsibility for meeting any requirements regarding raceways, conduits, or floor ducts. (h) Assume responsibility for costs of any special engineering, lines or trunks, or for any special applications such as data lines, tie lines, ring-down circuits, patching and conferencing, and all interface equipment. (i) All costs associated with premises restoration or repair in the event of removal of the equipment.

**Force Majeure.** If the performance of any part of this Contract by Seller is prevented, hindered, delayed or otherwise made impracticable by reason of any strike, flood, riot, fire, explosion, war, unavailability of materials and/or supplies, or any other casualty or any other cause of whatever nature that is beyond the control of seller and which cannot be overcome by reasonable diligence and without unusual expense, seller shall be excused from such performance during the continuance of any such happening or event, and for so long as such event shall continue to prevent, hinder or delay such performance. This contract shall be deemed suspended, so long as and to the extent that any such cause shall operate to prevent, hinder or delay the performance by Seller of its obligations.

**Ownership, Personal Property.** Equipment is, and until Buyer has paid all of the agreed purchase price shall remain, the personal property of Seller notwithstanding its installation in the Premises or its attachment to real property. Buyer shall not sell, assign, transfer, hypothecate, mortgage or otherwise dispose of the above property until payment is made in full.

**Damages Upon Default.**

a. Failure of the Buyer to perform any of its obligations under this Agreement or any supplemental schedule, or insolvency, or any warranty or statement of Buyer proving to be materially incorrect shall constitute a default.

b. Should default by Buyer occur before delivery of the Equipment to Buyer's premises, the Buyer recognizes that Seller, in connection with the performance of this Agreement will have incurred costs and expenses to Seller's damage. Therefore, Buyer agrees to pay one-third (1/3) of the amount of the Contract price to Seller as liquidated damages upon a default occurring before delivery of the Equipment.

c. Should default occur after delivery of the Equipment:

(i) Seller may disable the Equipment; and

(ii) Seller shall have the right to enter any premises, and may without breach of the peace, take possession of the Equipment and/or take any other legal right available to it and Buyer shall pay all reasonable costs incurred by Seller in repossessing the Equipment, plus the costs of resale, the costs of collection in the amount of thirty-three and one-third percent (33 1/3%), together with interest at the rate of one and one half percent (1 1/2%) per month on the full balance due of the purchase price; and

(iii) Seller shall be entitled to receive damages actually incurred by it as a result of such default including loss of profits.

d. The above remedies shall be cumulative and shall not preclude the exercise of any of Seller's rights available to it under law. Failure to enforce a breach shall not preclude later enforcement.

**Cutover, Acknowledgement of Acceptance and Completion.** Buyer agrees to witness cutover and to make a joint inspection with Seller's agent. After cutover and joint inspection, Buyer shall sign a Certificate of Delivery and Acceptance, acknowledging that the Equipment and system are properly functioning and are installed according to specifications required within this Agreement. If Buyer believes that certain aspects of the installation have not been completed according to this Agreement, Buyer shall list any exceptions on the Certificate of Delivery and Acceptance in the space provided therein. If, at the time of installation, Buyer fails or refuses to sign the Certificate with exceptions noted if applicable, after having been requested to do so by Seller's agent, Equipment and systems will be deemed accepted and job completed without exception.

**Attorney's Fees.** In the event of any legal action brought to enforce this Agreement, the prevailing party shall be reimbursed by the other party its reasonable attorney's fees related thereto.

**Waiver Amendment Termination.** Any change in the terms of this Agreement or to any of the Schedules attached hereto and made a part hereof, shall be effective only if in writing, signed by an authorized representative of Buyer and authorized representative of Seller, and in such event, the price, work schedules and other terms and conditions as appropriate may be changed by the parties in a written amendment hereto. Furthermore, any waiver of rights existing under this Agreement or a termination hereof shall not be effective unless made in writing and signed by the party against whom it is sought to be enforced. Buyer shall be responsible for the timely and proper securing of all permits, licenses, consents and approvals in connection with the sale and installation of the Equipment if Buyer requests that Seller obtain such approvals on Buyer's behalf. Seller shall use reasonable efforts to obtain approvals however, Seller shall have no obligation or liability in the event that Seller is unable to do so.

**ENTIRE AGREEMENT AND ADDITIONAL EQUIPMENT.** BUYER, HAVING CAREFULLY READ ALL PROVISIONS OF THIS AGREEMENT, ACKNOWLEDGES RECEIPT OF A COPY OF THIS AGREEMENT AND THE SCHEDULES MADE A PART HEREOF WHICH ARE THE FINAL EXPRESSION OF THE AGREEMENT OF THE PARTIES. THIS AGREEMENT IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE TERMS AGREED UPON; ALL PRIOR AGREEMENTS AND UNDERSTANDINGS ARE MERGED HEREIN. THERE ARE NO REPRESENTATIONS, WARRANTIES OR STIPULATION, EITHER ORAL OR WRITTEN, NOT HEREIN CONTAINED AND NO MODIFICATION MAY BE MADE EXCEPT BY A LIKE SIGNED AGREEMENT UNTIL ACCEPTED AND SIGNED BY AN OFFICER OF SELLER AT ITS PRINCIPAL OFFICE. THIS AGREEMENT SHALL NOT BECOME EFFECTIVE AND SHALL NOT CONSTITUTE A BINDING CONTRACT IN THE EVENT ADDITIONAL EQUIPMENT IS ORDERED BY BUYER. THE TERMS OF THIS AGREEMENT SHALL BE APPLICABLE THERETO



## Purchase Price

The purchase price of the Equipment shall be subject to adjustment in the event of any mutually agreeable changes to the equipment listed, including the addition or deletion of items of Equipment and any specifications, attachments, or features.

Purchase price of the equipment and  
services indicated above:

\$6,629.00

Applicable Taxes:

\$0.00 \*

Total:

\$6,629.00

\* Tax Exemption Number (If applicable): \_\_\_\_\_

\* If purchase is to be leased, taxes are calculated and added to the lease payments.

**Sale Type/Payment Terms:** ☐ Lease ☒ Cash Terms ☐ CIA

\$3,000.00 payable as deposit upon execution of this Agreement.

\$3,629.00 payable upon system cut-over.

.....

.....

In the event system is to be leased through a third party leasing company, the deposit will be refunded to the Buyer upon funding by the leasing company.

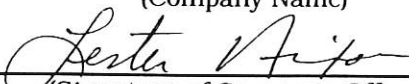
Because Seller incurs substantial costs and expenses during the term of the installation, Tri-Tel Communications, Inc. requires progress payments to be made in a timely manner. Interest at the rate of two percent (2%) per month will be charged on any progress payment or final payment which is not paid by the Buyer when due.

ADDITIONAL TERMS AND CONDITIONS ATTACHED ARE AN INTEGRAL PART OF THIS AGREEMENT.

## Customer/Buyer

UCIP / Utah Counties Insurance Pool

(Company Name)



(Signature of Corporate Officer)

Chief Executive Office

(Title)

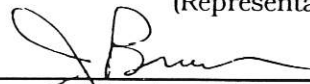
1/11/2006

(Date)

## Tri-Tel Communications, Inc.

Kristine von Elm

(Representative)



(Signature of Corporate Officer)

Jan 11, 2006

(Date)

Contract not valid until executed by Tri-Tel  
Corporate Officer

Seller acknowledges receipt of .....\$3,000.00..... as deposit against the purchase price.



162 East 4500 South  
Salt Lake City, UT 84107  
801 265-9292  
801 265-9915 Fax

### EQUIPMENT PURCHASE AGREEMENT NR: CM22034

Agreement between Tri-Tel Communications, Inc. (Seller) and Customer shown below (Buyer).

Customer (Bill to)

UCIP / Utah Counties Insurance Pool  
5397 S. Vine Street  
Murray, UT 84107

Customer (Ship to)

UCIP / Utah Counties Insurance Pool  
6900 South 900 East, Suite 230  
Midvale, Utah 84047

Seller hereby agrees to sell, and Buyer hereby agrees to purchase the following equipment ("Equipment") and services subject to the attached terms and conditions:

#### **Equipment and Features:**

Qty	Part Number	Model	Description
1	76-410-LE64/P		UNITe IP 64-Port Basic Pkg w/4-Port LE64
1		INCLUDED	UNITe IP Cabinet with Power
1		INCLUDED	UNITe Power Module
1		INCLUDED	IPeX Main Processing Server
1		INCLUDED	64-Port License
1		INCLUDED	4-Port Loop Start Analog Trunk Module
1		INCLUDED	emaGEN LE64 4-port License, IPeX
	<b>Additional equipment</b>		
1	25-770-0336/0		33.6 Internal Modem for IPeX or MPD2
1	76-700-0070/0		UNITe Wall Mount Kit
3	79-630-1000/B		Avanti Standard Station - Full Duplex
1	79-640-0000/B		Avanti Basic Station
4	79-610-0610/B		Avanti Standard Handset
1	76-110-1250/9	CHL	CO Loop Start Card - 4
1		CPE	Digital Station 30 Card - 16
3		CPE	Avanti Executive Station - Full Duplex
3		CPE	Avanti Standard Station - Full Duplex
1	PROM-UPGRADE		EPROM Upgrade
10	EWR		RE-USE EXISTING WIRE RUN
1	MOH-CPE		CUSTOMER PROVIDED MUSIC

#### **ONE YEAR WARRANTY\***

\* One year warranty includes customer provided (CPE) equipment.



Utah Counties Insurance Pool  
*Serving Counties Since 1992*

## BOARD OF TRUSTEES MEETING

### MINUTES

February 16, 2006, 12:00 p.m.  
Utah Counties Insurance Pool Building, Murray, UT

#### BOARD MEMBERS PRESENT

Dan McConkie, *President*, Davis County Commissioner  
Lynn Lemon, *Vice President*, Cache County Executive  
Steve Baker, Davis County Personnel Director  
Ken Bischoff, Weber County Commissioner  
Kay Blackwell, Piute County Commissioner  
Jerry Grover, Utah County Commissioner  
Ira Hatch, Emery County Commissioner  
Karla Johnson, Kane County Clerk-Auditor  
Ed Phillips, Millard County Sheriff  
Kent Sundberg, Utah County Deputy Attorney  
Steve Wall, Sevier County Clerk-Auditor

#### BOARD MEMBERS ABSENT

Jim Eardley, Washington County Commissioner  
Gene Roundy, *Secretary-Treasurer*, Iron County Commissioner

#### OTHERS PRESENT

Lester Nixon, Chief Executive Officer  
Mark Brady, Loss Control Manager  
Sonya White, Manager of Administration  
Korby Siggard, Claims Manager  
Trudy Stauffer, Alternative Service Concepts Claims Adjuster  
Chad Andrews, UBS Financial Services  
Chris Andrews, UBS Financial Services  
Jon Potter, UBS Financial Services

#### Call to Order and Welcome New Trustee

Following lunch, Dan McConkie called this meeting of the Utah Counties Insurance Pool Board of Trustees to order at 1:00 p.m. on February 16, 2006. Dan introduced and welcomed new Trustee, Karla Johnson, Kane County Clerk-Auditor. Karla told about herself and her family. Lester Nixon explained that staff met with Karla yesterday for orientation and she participated in the Litigation Management Committee's telephonic conference.

#### Review of Board Members Absent

Jim Eardley requested to be excused from this meeting due to medical reasons. Gene Roundy requested to be excused from this meeting due to medical reasons. Lynn Lemon made a motion to excuse Jim Eardley and Gene Roundy from this meeting. Kay Blackwell seconded the motion, which passed unanimously.

### Approval of December 15 Meeting Minutes

The minutes of the Board of Trustees meeting held December 15, 2005 were previously sent to the Board of Trustees for review. Steve Wall requested that the following changes/corrections be made to the minutes: 1) page three, Loss Control Manager's Report, include *workers' compensation* before all references to *loss control program*; 2) page six, Actions Regarding Building, change *is* to *be* in the first sentence; 3) page six, Set Date and Time for Closed Meeting, separate the third paragraph with item, **Actions Regarding Building**; and 4) page seven, Other Business, change the date of the next meeting to the 16th. Kent Sundberg requested that the following change be made to the minutes: page two, Discussion of Building Issues, last sentence in the last paragraph should read: *Some equipment and office furnishing, that were jointly purchased by UAC and UCIP will stay at the UAC building and new will need to be purchased by UCIP for the new office space.* Ken Bischoff made a motion to approve the December 15 meeting minutes as corrected. Steve Baker seconded the motion, which passed unanimously.

### UBS Financial Services' Report

Chad Andrews, Chris Andrews and Jon Potter provided the Board with an update of the financial status of the monies UCIP holds at UBS (see attachment #1). UCIP's funds are invested pursuant to the Utah Money Management Act. The monies are liquid, safe and held at a competitive rate. The Federal Government increased interest rates 12 times last year. UBS anticipates one or two more rate hikes before short-term investments will level out. It is advised that monies should be kept liquid until rates stabilize. UCIP's investments are laddered in agency papers and CDs that will mature before July. The yield curve is flat at 4.6%, so more money is currently earned on overnight investments than 30-year investments. UBS does not recommend investing in anything with a maturity date over five years. The Public Treasurers Investment Fund is UBS' main competitor. UBS strives to be at least one percent above the Public Treasurers Investment Fund (PTIF) rate and will always be the leader in a short-term environment. Chad reviewed the Executive Summary with the Board and explained that UCIP's investments follow the Utah Money Management Act in which investing is more conservative. The Corporate Profile is a picture of where the markets are heading. It is unsure what drives the Inverse Yield Curve, possibly a competence factor or the Federal Government continuing to increase rates. The Board may want to consider extending the time frame of its investments. Lester Nixon explained that UBS will conduct a cash modeling forecast to project UCIP's short-term needs for the coming year. The Board thanked Chad, Chris and Jon and excused them from the remainder of the meeting.

Lester explained that funds in PTIF are at \$4,000,000, investments through Wachovia Securities are at \$6,100,000 and investments through UBS are at \$1,600,000. Lester feels that UBS has done a very good job for UCIP and recommended that the Board consider investing more monies in UBS. Ken Bischoff made a motion to divide the approved total investment amount of \$8,000,000 between Wachovia (long-term investments) and UBS (short-term investments) for the next year to see how each company rates. As investments through Wachovia mature or are called, these monies will be moved to UBS. Lynn Lemon seconded the motion, which passed unanimously.

### Conflict of Interest Disclosure

Sonya White explained that the Chief Executive Officer of UCIP and each Trustee shall complete a disclosure form provided by UCIP at the first meeting of the Board during each fund year. The completed form shall affirm the person's awareness of this policy statement and either state that no described conflicts exist, or make all required disclosures. Sonya provided a copy of the Joint Policy Statement *Conflict of Interest* and an Affirmation and Disclosure form to the CEO and Trustees to complete for the fund year 2006.

### Discussion of Building Issues

Kent Sundberg asked that Lester Nixon address this issue. Lester reported that Brent Gardner has been working with the Utah Association of Counties' (UAC) Executive Committee to provide UCIP with a second offer for UCIP's equity in the building. UAC initially offered \$145,000. UCIP counter offered with \$260,000; the amount calculated by the UAC and UCIP accountants. Lester is hoping Brent and the Executive Committee will request a meeting next week. Dan McConkie reiterated that the Board has authorized Lester to negotiate the building equity on their behalf with a minimum acceptance of \$200,000. Lester invited the Board to visit the new UCIP offices today after the meeting. He explained that the lease has been finalized and staff is waiting for paint and carpet before making arrangements to move.

### Loss Control Manager's Report

Mark Brady reported that the frequency of vehicle claims increased dramatically in 2005. It has been five years since the required defensive driving course for county employees was implemented. UCIP's Loss Control Department will be focusing on this training for 2006.

The Disability Law Center continues to be involved in assessments of county facilities. Some member counties have already received noncompliance letters. While Mark is conducting his facility inspections he will consider the areas that the Center is concerned with. The Center has authority from a former Governor to assess these facilities. In past meetings, the Board discussed working with the current Governor to review this authority that may now be obsolete. The Board directed Dan McConkie and Lester Nixon to schedule a meeting with Lt. Governor Gary Herbert to discuss. Due to the large fire loss in Tooele County, Mark is also going to focus on inspecting older facilities for fire prevention.

Mark is conducting training in Beaver County on how to respond to harassment complaints. Also scheduled is the Facilities Management Conference, February 23; Planning and Zoning Conference, April 6; and the Personnel Workshop, May 18-19.

### Chief Executive Officer's Report

Lester Nixon explained that Larson & Company will need to schedule a pre-audit meeting with the Audit Committee. This meeting will be independent of staff. The Audit Committee can set a date to meet with Larson & Company following this meeting.

Salt Lake County has approached Lester regarding a quote for law enforcement liability. The County is starting a Unified Police Authority as of July 1; therefore coverage would only be for six months. If the Sheriff were to shift to the Authority now, they would carry their loss history and they want to switch with no unfunded liability. Lester is positive that UCIP would get the business but does the Board want to write a Unified Authority? Lynn Lemon was concerned with the number of entities wanting UCIP to provide coverage. The Board's policy is that the county must have control of the entity before coverage can be extended. Dan McConkie will talk to the County Mayor and explain the Board's policy.

Lester explained that staff intends to market the Worker's Compensation program to all the Health Departments that renew July 1. Lynn Lemon cautioned that Bear River Health Department subcontracts its employees and the Board has a policy on county control. Lester said that the Board made a policy exception for Health Departments, Children's Justice Centers and Special Service Districts receiving mineral lease monies. The Health Departments are a good risk. As far as workers' compensation, blood borne pathogens are the highest risk. Jerry Grover suggested that the Board review the set-up of the Health Departments. Lester will research and provide the Board with this information at the next meeting.

Lester reviewed the Workers' Compensation claims report with the Board (see attachment #2). For the month ending January 2006, the Pool has 26 open claims and seven closed. Total incurred is \$42,000 for a pro-rated loss ratio of 25%. All year's loss ratio is at 75.9%. Excluding the large loss in Juab County, the Pool is overall doing great.

Lester reviewed the Multiline claims report with the Board (see attachment #3). For the month ending January 2006, the Pool has 14 open claims and three closed for a two-percent loss ratio. The premium calculation wasn't reduced for the pro-rated loss ratio. The lower eight rows of the spreadsheet show the losses for the Health Departments, which are four claims for three years of coverage with a total incurred of \$19,000.

Lester provided an update on the legislative items that will affect the Pool. Senate Bill 113, Government Immunity Limits, written to increase the current tort caps of \$553,000 to \$1,000,000 with a \$10,000,000 aggregate has passed the Senate 27-0 and is now in the House. This Bill will punish all government. The bill calls for a study to create a catastrophe fund for local governments to be completed by July 1, 2007. If the Pool has to increase its limits to \$10,000,000, premiums will increase 25%. Reinsurers will price the coverage the same, with or without a catastrophe fund. Senate Bill 170, Local Government Land Use, is basically dead but concessions are being made via SB267 and SB268. If this bill were to have passed, counties would be in court all day with violations carrying a Class B misdemeanor criminal charge. House Bill 9, Workers' Compensation Studies, is being written to make many forms of cancer presumptive for firefighters and drug task force members.



#### Review Fourth Quarter Financial Statements

Lester Nixon reviewed the fourth quarter financial statements, as of December 31, 2005, with the Board (see attachment #4). These statements are on a cash basis and will not agree with the modified accrual that Larson & Company uses for the audited financial statements. Total cash assets are at \$10,896,827.30 with PTIF down from last year due to \$9,258,350.66 in investments. The Multiline Budget to Actual is under due mainly to the Pool's low losses. The Workers' Compensation Budget to Actual shows additional premium monies because of the addition of Wasatch Mental Health. The Administration Budget to Actual, funded with transfers from the two Pools, is up six-percent mainly because of the \$100,000 consulting fee payment for the Benefits Pool study. Larson & Company will move this amount to the Benefits Pool in the audited financial statements. There are four counties (Beaver, Juab, Millard and Sevier) in the Benefits Pool and Emery County is looking to possibly join in July.

#### Consider Reappointment of Law Enforcement Committee Chair

Lester Nixon explained that pursuant to Article 5.1(i) the Board must consider reappointment of the Law Enforcement Committee Chair. Ed Phillips is currently serving this appointed Trustee position. Ed Phillips announced that he will be resigning as the Millard County Sheriff, effective March 1, to accept a position as the Deputy Commissioner of the Utah Department of Public Safety. Ed said this has been a tough decision but, now that the deal is done, he's very excited. The Board voiced their dismay in losing such a great asset on the Board and wished Ed the best in his endeavors. Ed explained that five sheriffs currently serve on the Committee. Ed unofficially discussed the vacant Board position and two Sheriffs expressed their willingness to serve on the Board of Trustees. They are Dave Edmonds, Summit County; and Frank Park, Tooele County. Karla Johnson made a motion to appoint the Chair of the Law Enforcement Committee at the next meeting. Lynn Lemon seconded the motion which passed unanimously. Dan McConkie asked Lester to request that the Sheriffs Association propose three names for the Board's consideration at its next meeting.

#### Approve Records Retention Policy

Sonya White reviewed the Records Retention Policy with the Board (see attachment #5) and explained that in working with the State of Utah Records Center, they have assigned a series number to each record classification. The Policy includes these series numbers as well as specific language to match the description of the record classification through the Records Center. A series was also added for the retention of Board of Trustee Minutes. Steve Baker made a motion to approve the Records Retention Policy as presented. Ken Bischoff seconded the motion, which passed unanimously.

#### Consider Amendment to Board Travel Expenses Policy or Resolution Approving Board Travel to RIMS National Conference

As directed by the Board of Trustees at its December 15 meeting, Lester Nixon presented a conference travel expense comparison to the Board (see attachment #6). A revised Policy that includes the Risk and Insurance Management Society (RIMS) Annual Conference was presented to the Board (see attachment #7) as well as a Resolution authorizing Trustees to attend the RIMS Conference in Honolulu, Hawaii (see attachment #8). The RIMS Conference has very valuable training that is not offered by AGRIP or PRIMA. AGRIP provides more training that is Board specific but RIMS offers specific training in the areas of Errors and Omissions and Directors and Officers. The Board reviewed each option. Steve Baker made a motion to approve the amended Board Travel Expenses Policy to include the RIMS Annual Conference and RIMS Technical Workshops. Steve Wall seconded the motion, which passed unanimously. Dan McConkie recommended that if a Trustee attends the RIMS Conference this year it should be the only Conference they attend in 2006, which was not put into the form of a motion.

#### Approve Earthquake Study

As mentioned at the last meeting, Lester Nixon recommended that UCIP have an earthquake study conducted. Companies can analyze the probability of an earthquake and recommend the limits UCIP should be carrying for its members. Lester has approached three companies and two have submitted a proposal (one quote is \$15,000 and the other is \$45,000). Jerry Grover said that UCIP should be receiving a lower rate since modeling for the State of Utah and its faults has already been conducted. Lester will review the proposals with the Board at its next meeting.

### Actions Regarding Building

There were no actions to be taken regarding the building at this time. Authority was given to Lester Nixon at the last meeting.

### Consider Ratifying Actions of the Chief Executive Officer

OptiCare. Lester Nixon explained that a vision care program was quickly put together for Benefits Pool members. The contract establishes the business relationship between OptiCare and UCIP. Next year the contract will be negotiated (see attachment #9).

Clinton Partners, LLC. Lester provided the Board with a copy of the final lease between Clinton Partners and UCIP for office space (see attachment #10). The lease was reviewed by UCIP attorneys. The Board previously authorized Lester to execute the lease.

TriTel Networks. This equipment purchase agreement is for the necessary additional phone equipment for use in the new offices (see attachment #11).

Larson & Company. A copy of the 2006 engagement letter, that the Board authorized Lester to sign, was provided to the Board (see attachment #12).

Tooele County Property Appraisals. Due to the concerns following the loss at the Wendover Airport in 2005, the Board agreed to have Lester hire an appraiser to appraise the real property at the Wendover Airport and Benson Grist Mill. The UCIP policy is a replacement cost policy regardless of the premium collected. It is in the Pool's best interest to require market values each year on county properties. The schedules are significantly undervalued as we found in the case of Tooele County, a difference of approximately \$20 million. The cost of the appraisal was \$9,000. Jerry Grover suggested that the county assessor sign off on the property values reported during each annual renewal.

Legislative Tracking. Lester committed to pay for Jody Burnett to lobby against SB 170, jointly with URMMA and ULGT. Randy Smart was hired to lobby against SB 113 and HB 9, jointly with ULGT.

Lynn Lemon made a motion to ratify all the above actions taken by the Chief Executive Officer, Lester Nixon. Steve Wall seconded the motion, which passed unanimously.

### Set Date and Time for Closed Meeting

Steve Wall made a motion to set the date and time for a closed meeting to discuss pending or reasonably imminent litigation for February 16, 2006 at 2:35 p.m. Ken Bischoff seconded the motion, which passed unanimously. Ken Bischoff was excused from the discussion.

Lynn Lemon made a motion to conclude the closed meeting to discuss pending or reasonably imminent litigation on February 16, 2006 at 2:50 p.m. Kay Blackwell seconded the motion, which passed unanimously.

### Action on Litigation Matters

Kent Sundberg made a motion authorizing settlement up to an amount of \$45,000 in the matter of WEB01088730. Steve Wall seconded the motion, which passed; Ken Bischoff abstaining.

Kent Sundberg made a motion authorizing settlement in the amount of \$30,100 for a totaled vehicle in the matter of UIN0000412005. Lynn Lemon seconded the motion, which passed unanimously.

### Set Date and Time for Closed Meeting

Lynn Lemon made a motion to set the date and time of a closed meeting to discuss the character, professional competence, physical/mental health of an individual for February 16, 2006 at 2:55 p.m. Steve Baker seconded the motion, which passed unanimously.

Steve Wall made a motion to conclude the closed meeting to discuss the character, professional competence, physical/mental health of an individual on February 16, 2006 at 3:20 p.m. Ira Hatch seconded the motion, which passed unanimously.

Action Regarding Employee Compensation

Kent Sundberg made a motion authorizing the President of the Board of Trustees' to implement the compensation adjustments discussed in closed session. Kay Blackwell seconded the motion, which passed unanimously.


Ratification and Approval of Payments and Credit Card Transactions

Lynn Lemon reviewed the payments made, payments to be made (see attachment #13) and credit card transactions with the Board. Lynn Lemon made a motion to approve the payments made, payments to be made and credit card transactions. Ed Phillips seconded the motion, which passed unanimously.

Other Business

The next meeting of the Board of Trustees is scheduled for April 18, 2006 at 6:00 p.m. in Provo.

Approved on this \_\_\_\_\_ day of \_\_\_\_\_ 2006

  
Gene Roundy, UCIP Secretary-Treasurer

## AFFIDAVIT OF DAN McCONKIE


STATE OF UTAH                                 )  
                                                              :SS  
COUNTY OF SALT LAKE                    )

Dan McConkie, being duly sworn upon oath, deposes and says:

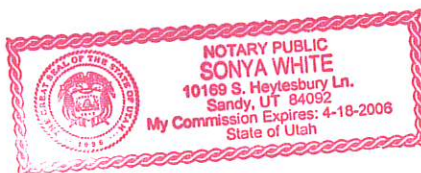
1. That the affiant has personal knowledge of the matters hereinafter referred to in this Affidavit.
2. That the Affiant, on or about the 16 day of February, 2006, presided over a meeting of the Utah Counties Insurance Pool Board of Trustees, an open and public meeting within the provisions of Chapter 4, Title 52, Utah Code Annotated, 1953, as amended.
3. That a quorum of the Utah Counties Insurance Pool Board of Trustees was present and at least two-thirds of the members present, voted to close the meeting pursuant to the provisions of Section 52-4-4, Utah Code Annotated, 1953, as amended, for the purpose of discussing the character, professional competence, or physical or mental health of an individual.
4. That the affiant was present throughout the meeting and, pursuant to the provisions of Section 52-4-7.5, the affiant does hereby affirm that the sole purpose for closing the meeting was to discuss the character, professional competence, or physical or mental health of an individual or individuals.


FURTHER, Affiant saith not.

DATED this 16 day of February, 2006.

  
DAN McCONKIE, President  
Utah Counties Insurance Pool

On the 16 day of Feb. 2006, personally appeared before me Dan McConkie, who, after being by me duly sworn, deposed and said that the information contained in the above and foregoing Affidavit is true and correct.



  
NOTARY PUBLIC  
Residing at: Sandy UT  
My Commission Expires: 4-18-06





# Utah Counties Insurance Pool

## Payments

January 1 - February 28, 2006

Type	Date	Num	Name	Memo	Split	Amount
<b>WF-Expense</b>						
Check	1/1/2006	3149	Thompson Publishing Group, Inc.	Account Number: 5545124	Dues / Subscriptions	-395.00
Check	1/1/2006	3167	Municipal Litigation Reporter	One-Year Subscription	Dues / Subscriptions	-397.00
Check	1/1/2006	3168	DRI	ID Number: 262898	Dues / Subscriptions	-225.00
Check	1/1/2006	3169	The Lodge at Stillwater	Board Retreat (May31-Jun2) Deposit	Board Expense	-1,000.00
Check	1/1/2006	3170	Marsh USA Risk & Insurance Services	Invoice Number: 327266	Crime	-18,230.00
Check	1/1/2006	3171	Marsh USA Risk & Insurance Services	Invoice Number: 327267	Crime	-10,994.00
Liability Check	1/9/2006		Nationwide Retirement Solutions	Entity: 644013	-SPLIT-	-3,005.39
Liability Check	1/10/2006		United States Treasury	87-0495792	-SPLIT-	-3,963.26
Liability Check	1/10/2006	3196	Utah State Tax Commission	Z68319	Payroll Liabilities	-4,556.24
Liability Check	1/11/2006		United States Treasury	87-0495792	-SPLIT-	-3,765.18
Liability Check	1/12/2006		QuickBooks Payroll Service	Created by Payroll Service on 01/09/2006	-SPLIT-	-11,167.69
Paycheck	1/13/2006		Brody S. Parker	Direct Deposit	-SPLIT-	0.00
Paycheck	1/13/2006		Charmaine G. Green	Direct Deposit	-SPLIT-	0.00
Paycheck	1/13/2006		Korby M. Siggard	Direct Deposit	-SPLIT-	0.00
Paycheck	1/13/2006		Lester J. Nixon	Direct Deposit	-SPLIT-	0.00
Paycheck	1/13/2006		Mark W. Brady	Direct Deposit	-SPLIT-	0.00
Paycheck	1/13/2006		Shelley Peck	Direct Deposit	-SPLIT-	0.00
Paycheck	1/13/2006		Sonya J. White	Direct Deposit	-SPLIT-	0.00
Check	1/19/2006	3197	Weber County Sheriff's Office	Invoice Number: 22981	Exhibiting & Sponsorship	-1,000.00
Check	1/19/2006	3198	TAG Enterprises, LLC	Invoice Number: 22393	Professional Fees	-2,420.00
Check	1/19/2006	3199	CALEA	Cache County Accreditation	Loss Control / Training	-5,425.00
Check	1/19/2006	3200	Newspaper Agency	Account Number: U2933098L-07	Board Expense	-26.25
Check	1/19/2006	3201	Utah Association of Counties	Winter 2006 Newsletter Advertisement	Exhibiting & Sponsorship	-250.00
Check	1/19/2006	3202	Utah Association of Counties	Lester Nixon Registration	Staff Expenses	-50.00
Check	1/19/2006	3203	Huddard Floral Company	Account Number: 202251	-SPLIT-	-160.85
Check	1/19/2006	3204	Christensen & Jensen	Invoice Number: 42836	-SPLIT-	-297.00
Check	1/19/2006	3205	Verizon Wireless	Invoice Number: 2003352647	Telephone	-65.64
Check	1/19/2006	3206	Verizon Wireless	Invoice Number: 2006390096	Telephone	-46.68
Check	1/19/2006	3207	Verizon Wireless	Invoice Number: 2006690834	Telephone	-45.15
Check	1/19/2006	3208	Verizon Wireless	Invoice Number: 2006390095	Telephone	-40.92
Check	1/19/2006	3209	Qwest	Account Number: 801-293-3098-606B	Telephone	-253.39
Check	1/19/2006	3210	Marsh USA Risk & Insurance Services	Invoice Number: 327440	-SPLIT-	-524,249.00
Check	1/19/2006	3211	Marsh USA Risk & Insurance Services	Invoice Number: 327412	-SPLIT-	-6,090.00
Check	1/19/2006	3212	Office Depot	Account Number: 35538769	-SPLIT-	-941.51
Check	1/19/2006	3213	Office Depot	Account Number: 35538769	-SPLIT-	-291.25
Check	1/19/2006	3214	Marsh USA Risk & Insurance Services	Invoice Number: 327412	-SPLIT-	-4,715.00
Check	1/19/2006	3215	County Reinsurance, Limited	Liability Reinsurance	Liability	-464,768.00
Check	1/26/2006	3216	LexisNexis Matthew Bender	Account Number: 0099007508	-SPLIT-	-301.95
Check	1/26/2006	3217	FedEx	Invoice Number: 3-299-54941	-SPLIT-	-20.58
Check	1/26/2006	3218	Verizon Wireless	Invoice Number: 2011225575	Telephone	-70.64
Check	1/26/2006	3219	CPCU Society	Street Level Ethics Seminar	-SPLIT-	-100.00
Check	1/26/2006	3220	By The Numbers Actuarial Consulting, Inc.	Invoice Number: 2006-3	Actuarial Analysis	-2,000.00
Check	1/26/2006	3221	Office Depot	Account Number: 35538769	Office Supplies	-86.64
Liability Check	1/26/2006	3222	Utah Retirement Systems	Unit No: 864 (JAN 2006)	-SPLIT-	-7,393.87
Check	1/26/2006	3223	PEHP-LTD	Coverage Period: January 2006	Staff Medical Insurance	-193.02
Liability Check	1/26/2006		Utah State Tax Commission	Z68319 (Jan06)	-SPLIT-	-1,535.58
Check	1/26/2006	3224	Marsh USA Risk & Insurance Services	Invoice Number: 327543	Consulting Fee	-60,000.00
Liability Check	1/27/2006		United States Treasury	87-0495792	-SPLIT-	-3,902.16
Check	1/30/2006	VISA	Wells Fargo	Account Number: 4856 2002 0633 9635	-SPLIT-	-840.75
Liability Check	1/30/2006		QuickBooks Payroll Service	Created by Payroll Service on 01/25/2006	-SPLIT-	-11,430.94
Check	1/30/2006	VISA	Wells Fargo	Account Number: 4856 2002 0789 0792	-SPLIT-	-424.83
Check	1/30/2006	VISA	Wells Fargo	Account Number: 4856 2002 0646 9796	-SPLIT-	-315.15
Check	1/30/2006	VISA	Wells Fargo	Account Number: 4856 2002 0646 9788	-SPLIT-	-2,287.42
Liability Check	1/30/2006		Nationwide Retirement Solutions	Entity: 644013	-SPLIT-	-2,963.29
Paycheck	1/31/2006		Brody S. Parker	Direct Deposit	-SPLIT-	0.00
Paycheck	1/31/2006		Charmaine G. Green	Direct Deposit	-SPLIT-	0.00
Paycheck	1/31/2006		Korby M. Siggard	Direct Deposit	-SPLIT-	0.00
Paycheck	1/31/2006		Lester J. Nixon	Direct Deposit	-SPLIT-	0.00
Paycheck	1/31/2006		Mark W. Brady	Direct Deposit	-SPLIT-	0.00
Paycheck	1/31/2006		Shelley Peck	Direct Deposit	-SPLIT-	0.00
Paycheck	1/31/2006		Sonya J. White	Direct Deposit	-SPLIT-	0.00
Check	1/31/2006	3225	Clinton Partners, LLC	Commercial Lease, 6900 South 900 East, Suite 230, Mil...	-SPLIT-	-7,952.00
Check	1/31/2006	3226	Lester J. Nixon	Reimbursable Expenses	-SPLIT-	-352.96
Check	1/31/2006	3227	Mark W. Brady	Reimbursable Expenses	Loss Control / Training	-225.00
Liability Check	1/31/2006	3242	Utah Counties Insurance Pool	January Employee Benefits	-SPLIT-	-6,535.44
Check	2/9/2006	3228	Utah Association of Counties	Invoice Number: 1094 (Fourth Quarter)	-SPLIT-	-18,042.47
Check	2/9/2006	3229	Larson & Company	Invoice Number: 15783	Accounting	-19.50
Check	2/9/2006	3230	Henriksen/Butler	Client: 023638	-SPLIT-	-14,143.00
Check	2/9/2006	3231	Marsh USA Risk & Insurance Services	Invoice Number: 327620	Bonds	-345.00
Check	2/9/2006	3232	Christensen & Jensen	Invoice Number: 43204	Land Use Hotline	-132.36
Check	2/9/2006	3233	Davis County	Commissioner's Cup Sponsor	-SPLIT-	-900.00
Check	2/9/2006	3234	Qwest	Account Number: 801-293-3098-606B	Telephone	-237.06
Check	2/9/2006	3235	Positive Incentives	Invoice Numbers: 85360	Loss Control / Training	-323.56
Check	2/9/2006	3236	Tri-Tel Communications, Inc.	Invoice Numbers: 132563	Building Reserve	-3,629.00
Check	2/9/2006	3237	Agile Studios	Invoice Number: 2006013	Information Technology	-120.00
Check	2/9/2006	3238	Office Depot	Account Number: 35538769	Office Supplies	-23.18
Check	2/9/2006	3239	Utah Safety Council	Invoice Number: 01327	Loss Control / Training	-636.00
Check	2/9/2006	3241	Utah Safety Council	Invoice Number: FD062407	Dues / Subscriptions	-200.00
Check	2/9/2006	3240		VOID:	Spoiled Check	0.00
Liability Check	2/14/2006		QuickBooks Payroll Service	Created by Payroll Service on 02/10/2006	-SPLIT-	-11,366.98
Paycheck	2/15/2006	3241	Brody S. Parker	Direct Deposit	-SPLIT-	0.00
Paycheck	2/15/2006	3242	Charmaine G. Green	Direct Deposit	-SPLIT-	0.00
Paycheck	2/15/2006	3243	Korby M. Siggard	Direct Deposit	-SPLIT-	0.00
Paycheck	2/15/2006	3244	Lester J. Nixon	Direct Deposit	-SPLIT-	0.00
Paycheck	2/15/2006	3245	Mark W. Brady	Direct Deposit	-SPLIT-	0.00
Paycheck	2/15/2006	3246	Shelley Peck	Direct Deposit	-SPLIT-	0.00
Paycheck	2/15/2006	3247	Sonya J. White	Direct Deposit	-SPLIT-	0.00
Check	2/16/2006	3243	Verizon Wireless	Invoice Number: 2014297471	Telephone	-79.98
Check	2/16/2006	3244	Verizon Wireless	Invoice Number: 2014598457	Telephone	-68.38
Check	2/16/2006	3245	Verizon Wireless	Invoice Number: 2014297470	Telephone	-42.61
Check	2/16/2006	3246	Newspaper Agency	Account Number: U2933098L-07	Board Expense	-169.64
Check	2/16/2006	3247	Marsh USA Risk & Insurance Services	Invoice Number: 327644	Bonds	-100.00
Check	2/16/2006	3248	Shelley Peck	Expense Reimbursement	-SPLIT-	-30.45
Check	2/16/2006	3249	Office Depot	Account Number: 35538769	-SPLIT-	-125.68

# Utah Counties Insurance Pool Payments

January 1 - February 28, 2006

Type	Date	Num	Name	Memo	Split	Amount
Liability Check	2/16/2006		United States Treasury	87-0495792	-SPLIT-	-3,878.30
Check	2/16/2006	3250		VOID:	Spoiled Check	0.00
Check	2/27/2006	VISA	Wells Fargo	Account Number: 4856 2002 0633 9635	-SPLIT-	-1,059.14
Check	2/27/2006	VISA	Wells Fargo	Account Number: 4856 2002 0646 9796	-SPLIT-	-3,643.95
Check	2/27/2006	VISA	Wells Fargo	Account Number: 4856 2002 0646 9788	-SPLIT-	-2,835.68
Check	2/27/2006	VISA	Wells Fargo	Account Number: 4856 2002 0789 0792	-SPLIT-	-915.35
Total WF-Expense						-1,240,833.89
<b>WF-Work Comp Expense</b>						
Check	1/19/2006	0093	BRF - Alternative Service Concepts	Voucher Number: 2311	Third Party Administrator ...	-1,699.96
Check	1/19/2006	0094	CompToday	Voucher No. 2312, 9/06/05 through 11/28/05	Third Party Administrator ...	-394.33
Check	1/19/2006	0095	FedEx	Invoice Number: 3-286-94545	-SPLIT-	-6.43
Check	1/19/2006	0096	County Reinsurance, Limited	UCIP - Workers Compensation	Reinsurance WC	-342,121.00
Check	1/19/2006	0097	Pfeiffer Consulting Group, LLP	Invoice Number: 2006-1	Consultant WC	-1,500.00
Check	1/19/2006	0098	Alternative Service Concepts, LLC	Invoice Number: 0010288-IN	Third Party Administrator ...	-10,275.19
Check	1/19/2006	0099	Marsh USA Risk & Insurance Services	Invoice Number: 327439	Self-Insurer's Bond WC	-30,000.00
Check	1/19/2006	0100	Wells Fargo Bank	L/C NO: NZSS11517	Self-Insurer's Bond WC	-155.00
Check	1/26/2006	0101	Brody S. Parker	Expense Reimbursement	-SPLIT-	-46.93
Check	1/26/2006	0102	By The Numbers Actuarial Consulting, Inc.	Invoice Number: 2006-2	Actuarial Analysis WC	-2,000.00
Check	2/8/2006	103	Pfeiffer Consulting Group, LLP	Invoice Number: 2006-2	Consultant WC	-1,500.00
Check	2/8/2006	104	Alternative Service Concepts, LLC	Invoice Number: 0010388-IN	Third Party Administrator ...	-15,065.33
Check	2/8/2006	105	BRF - Alternative Service Concepts	Voucher Number: 2520	Third Party Administrator ...	-1,335.73
Check	2/8/2006	106	BRF - Alternative Service Concepts	Voucher Number: 2450	Third Party Administrator ...	-1,493.09
Check	2/9/2006	107	CompToday	Voucher No. 2521	Third Party Administrator ...	-1,283.68
Check	2/16/2006	108	County Reinsurance, Limited	UCIP - Workers Compensation	Reinsurance WC	-3,484.00
Total WF-Work Comp Expense						-412,360.67
<b>TOTAL</b>						<b>-1,653,194.56</b>